



## NEW MILTON TOWN COUNCIL INVESTMENT STRATEGY

### 1. Introduction

New Milton Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community.

This Strategy complies with the revised requirements set out in the Department for Communities and Local Government's *Guidance on Local Government Investments* and Chartered Institute of Public Finance and Accountancy's (CIPFA) *Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes* and takes account of Section 15(1) (a) of the Local Government Act 2003.

In accordance with Governance & Accountability for Local Councils – A Practitioners' Guide (England) March 2014: **Where a council builds up balances these must be safeguarded by investing in an appropriate account; investing balances by local councils must be done prudently and in accordance with the requirements of the Local Government Act 2003 and DCLG Guidance on Local Government investments (second edition) issued on 11 March 2010.**

### 2. Investment Objectives

In accordance with Section 15(1) of the 2003 Act, the Council will *have regard to*

- (a) *such guidance as the Secretary of State may issue, and*
- (b) *such other guidance as the Secretary of State may by regulations specify.*

The Council's investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

All investments will be made in sterling and be reviewed regularly for optimum returns.

The Department for Communities and Local Government (DCLG) maintains that borrowing of monies purely to invest, or to lend and make a return, is unlawful and this Council will not engage in such activity.

Where external investment managers are used, they will be contractually required to comply with the Strategy.

### 3. Specified Investments

Specified Investments are those offering high security and high liquidity, made in sterling and which mature in no more than a year. Such short-term investments made with the UK Government or a local authority by town or parish council will automatically be Specified Investments.

For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, New Milton Town Council will use:

- Deposits with banks (NatWest / CCLA) local district public authorities ie NFDC
- a) for lending them short-term surplus funds b) asking their accountants' advice
- Investing and earmarking General Reserves of the Town Council separately

### 4. Non-Specified Investments

These investments have greater potential rewards, and associated risk – examples include investment in the money market, stocks and shares via Quilter Cheviot. Given the unpredictability and uncertainties surrounding such investments, New Milton Town Council will only use this type of investment up to a maximum of £250k.

### 5. Liquidity of Investments

The Town Clerk as Responsible Financial Officer determines the maximum periods for which funds may prudently be committed so as not to compromise liquidity ensuring adequate funds are available for day to day operational needs.

### 6. Longer-Term Investments

Longer-term investments are defined in the Guidance as greater than 12 months. The Council only holds £500k 'longer-term' investments of more than a year with CCLA. These longer-term investments (equivalent to reserves currently held) were assessed for consideration in line with previously received Internal Audit advice.

### 7. End of Year Investment Report

Investment forecasts for the coming financial year are accounted for when the budget is prepared. At the end of the financial year, the Town Clerk reports on outcome and investment activity to the Finance and General Purposes Committee.

### 8. Freedom of Information

In accordance with the Freedom of Information Act 2000, this Investment Strategy Document will be posted on the Council website. [www.newmiltontowncouncil.gov.uk](http://www.newmiltontowncouncil.gov.uk)

The strategy will be reviewed annually.

### NEW MILTON TOWN COUNCIL RISK MANAGEMENT STRATEGY

#### 1 Introduction

1.1 This document forms part of the Council's Risk Management Strategy. It sets out:

- What is risk management?
- Why does the Council need a risk management strategy?
- What is the Council's philosophy on risk management?
- What is the risk management process?
- How will risk management feed into the Council's existing policies?
- Implementation timetable
- Roles and responsibilities
- Future monitoring

1.2 The objectives of this strategy are to:

- Further develop risk management and raise its profile across the Council.
- Integrate risk management into the culture of the organisation.
- Embed risk management through the ownership and management of risk as part of all decision-making processes.
- Manage risk in accordance with best practice.

#### 2 What is Risk Management?

2.1 Risk is the threat that an event or action will adversely affect an organisation's ability to achieve its objectives and to successfully execute its strategies. Risk management is the process by which risks are identified, evaluated and controlled.

2.2 Risk management is an essential feature of good governance. An organisation that manages risk well is more likely to achieve its objectives. It is vital to recognise that risk management is not simply about health and safety, or risk assessments, but applies to all aspects of the Council's work, including public safety.

2.3 Risks can be classified into various types but it is important to recognise that for all categories the direct financial losses may have less impact than the indirect costs such as disruption of normal working. The examples below are not exhaustive:

**Strategic Risk** - Long-term adverse impacts from poor decision-making or from poor implementation. Risks damage to the reputation of the Council and loss of public confidence.

**Compliance Risk** - Failure to comply with legislation, laid down procedures or the lack of documentation to prove compliance. Such risks potentially expose the council to prosecution, judicial review, employment tribunals and the inability to enforce contracts.

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**Financial Risk** - Fraud and corruption, waste, excess demand for services, bad debts. Risk of additional audit investigation, objection to accounts, reduced service delivery, dramatically increased Precept levels/impact on Council reserves.

**Operating Risk** - Failure to deliver services effectively; malfunctioning equipment, hazards to service users, the general public or staff, damage to property. Risk of insurance claims; higher insurance premiums; lengthy recovery processes.

- 2.4 Not all these risks are insurable and for some the premiums may not be cost effective. Even where insurance is available, a monetary consideration might not be an adequate recompense. The emphasis should always be on eliminating or reducing risk before costly steps to transfer risk to another party are considered.
- 2.5 Risk is not restricted to potential threats but can be connected with opportunities. Good risk management can facilitate proactive, rather than merely defensive responses. Measures to manage adverse risks are likely to help with managing positive ones.

### 3 **Why does the Council need a Risk Management Strategy?**

- 3.1 Risk management strengthens the ability of the Council to achieve its objectives and enhance the value of services provided.
- 3.2 The Risk Management Strategy helps to ensure that the Council has an understanding of risk and that the Council adopts a uniform approach to identifying and prioritising risks. This should in turn lead to conscious choices as to the most appropriate method of dealing with each risk, be it elimination, reduction, transfer or acceptance of some risk.
- 3.3 Strategic risk management is also an integral part of the audit process and as such is an important element in demonstrating continuous service improvement.
- 3.4 There is a requirement under the Accounts and Audit Regulations 2003 (SI2003/533) to establish and maintain a systematic strategy, framework and process for managing risk.

### 4. **Risk Management Policy Statement**

New Milton Town Council recognises that it has responsibility to manage risks effectively in order to protect its employees, assets, liabilities and community against potential losses, to minimise uncertainty in achieving its goals and objectives and to maximise the opportunities to achieve its vision.

The Council accepts that some risks can never be fully eliminated, and it has in place a strategy that provides a structured, systematic and focussed approach to managing risk.

Risk management is an integral part of the Council's management processes and duties.

### 5. **Implementing the Strategy**

**Risk Identification** – Identifying and understanding hazards and risks facing the Council is crucial if informed decisions are to be made about policies or service delivery methods. The risks associated with these decisions can then be effectively managed. All risks are identified and recorded in the Council's Risk Register that is updated every year.

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**Risk Analysis** – Once risks are identified they need to be systematically and accurately assessed using proven techniques. Analysis should make full use of any available data on the potential frequency of events and their consequences. If a risk is seen to be unacceptable, then steps need to be taken to control or respond to the risk.

**Risk Prioritisation** - An assessment is undertaken of the impact and likelihood of risks occurring with impact and likelihood scored. Action Plans are prepared to address any risks with a residual risk or where risk impact is judged to be major. Residual risks will be subject to monitoring and action will be taken to reduce residual risk in all cases.

### 5.1 Risk Control

Risk control is the process of taking action to minimise the likelihood of the risk event occurring and/or reducing the severity of the consequences should it occur. Typically, risk control requires the identification / implementation of revised operating procedures, but in exceptional cases more drastic action will be required to reduce the risk to an acceptable level as with home working / Zoom meetings.

Options for control include:

**Elimination** – Circumstances from which the risk arises are removed so that the risk no longer exists.

**Reduction** – Control measures are implemented to reduce the impact/ likelihood of the risk occurring.

**Transfer** – Financial impact is passed to others eg by revising contractual terms.

**Sharing** - Risk is shared with another party.

**Insuring** - Insure against some or all of a risk to mitigate financial impact where possible.

**Acceptance** – Documenting decisions after assessment of areas where the Council accepts or tolerates risk to a certain extent.

### 5.2 Risk Monitoring

The Risk Management process does not finish with putting any risk control procedures in place. Their effectiveness in controlling risk must be monitored and reviewed. It is also important to assess whether the nature of any risk has changed over time.

The information generated from applying the risk management process will help to ensure that risks can be avoided or minimised in the future. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self-insurance and external protection.

## 6 How will Risk Management feed into the Council's existing policies?

6.1 The initial identification of risks is achieved by compiling a list of the risks integrated into a comprehensive risk register, that is reviewed annually by F&GP and Internal Audit.

6.2 **Projects and Service Changes** – Projects or changes to services will include risks identification and measures to eliminate or control risks will be documented in agenda reports and briefing papers to be considered by the Council and its committees.

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- 6.3 **Partnership Working** – The Council will continue to enter into a number of partnerships with organisations from the public, private, voluntary and community sectors where necessary. Part of the process of setting up future partnerships will be to ensure that all relevant risks are identified, and appropriate control mechanisms are built into the management arrangements for partnership working. It is now a safeguarding prerequisite that at least two officers and two Councillors attend all external / partnership meetings, except with the express permission in writing of the Town Clerk.

### 7. **Implementation Timetable**

The Town Clerk and F&GP Committee examine the Council Risk Management Strategy and Risk Management Policy Statement annually identifying current risks in detail.

- Risk Management Strategy – originally adopted by Council on 3 January 2012.
- Risk Assessments and action plans are agreed by F&GP annually in March.
- Risk Management Strategy is reviewed by F&GP Committee annually in July.

### 8 **Roles and Responsibilities**

- 8.1 Risk management has become embedded into the everyday culture and performance management process of the Council. The roles and responsibilities set out below, are designed to ensure that risk is managed effectively right across the Council and its operations, and responsibility for risk is located in the right place. The process is driven from the top but must also involve Council staff.

- 8.2 **Elected Members** – Risk management is a key part of Elected Member's role with an expectation that Elected Members will lead and monitor the approach adopted, including:

- (a) Approval of the Risk Management Strategy
- (b) Analysis of key risks in reports on major projects, ensuring that all future projects and services undertaken are adequately risk managed
- (c) Approval of year-end Annual Governance and Accountability Return (AGAR)
- (d) Assessment of risks whilst setting the budget, including any bids for resources to tackle specific issues.

- 8.3 **Employees** – Undertake their duties within risk management guidelines ensuring that their skills and knowledge are used effectively. All employees maintain an awareness of the impact and costs of risks and how to feed data into the formal process. They work to control risks or threats within their jobs, monitor progress and report on job-related risks.

- 8.4 **Town Clerk** – Acts as the Lead Officer on Risk Management and is responsible for overseeing the implementation of the Risk Management Strategy. The Town Clerk:

- (a) provides advice as to the legality of policy and service delivery choices
- (b) provides advice on the implications for service areas of the Council's aims / objectives
- (c) updates the Council on the implications of new or revised legislation
- (d) assists in handling any litigation claims
- (e) provides advice on human resource issues and cases of work-related illness or injury
- (e) advises on health and safety implications of service delivery methods
- (f) reports progress to Council via F&GP

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### 8.5 **Responsible Finance Officer** – as the Council’s RFO, the Town Clerk:

- (a) assesses and implements the Council’s insurance requirements
- (b) assesses the financial implications of strategic policy options
- (c) provides assistance and advice on budgetary planning and control
- (d) ensures that the financial information system allows effective budgetary control
- (e) manages the Council’s investments as part of the Investments Working Party

### 8.6 **Role of Internal Audit**

Internal Audit provides an important scrutiny role by carrying out audits to provide independent assurance to the Council that all necessary risk management systems are in situ and significant business risks are managed effectively.

Internal Audit assists the Council in identifying both its financial and operational risks and seeks to assist the Council in developing and implementing proper arrangements to manage them, including adequate and effective systems of internal control to reduce or eliminate the likelihood of errors or fraud, and now looks at wider operational aspects.

Internal Audit reports to full Town Council and may make appropriate recommendations.

### 8.7 **Scrutiny Committee** – Review and future development of the Risk Management Policy and Strategy and review of the Risk Register is overseen by the F&GP Committee.

### 8.8 **Training** – Where possible Risk Management training is provided to Members and staff through a variety of mediums, the aim being to ensure both Members and staff have the skills necessary to identify, evaluate and control risks associated with Council services.

### 8.9 **Reporting** - In addition to the roles and responsibilities set out above, the Council is keen to promote an environment within which individuals and groups are encouraged to report adverse incidents promptly and openly.

## 9 **Monitoring**

### 9.1 **Review of Risk Management Strategy**

This Strategy is regularly considered as part of the Council’s on-going review of its policy documents, Standing Orders and Financial Regulations. Recommendations are reported to the Council.

### 9.2

But it is crucial that information is regularly reviewed and updated. As noted last year, new risks emerged and needed to be controlled. Feedback from Internal and External Audit can identify areas for improvement, as can the sharing of best practice via professional bodies, such as the Hampshire Association of Local Councils (HALC), the Society of Local Council Clerks (SLCC) and other relevant local council forums, including the New Forest Association of Local Councils (NFALC) and South-East Employers (SEE) all of which we are members of.

### 9.3 **Reporting on Progress**

The Town Clerk provides an annual review and assessment of risks in March each year.

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### 10 Conclusion

The adoption of a sound risk management approach achieves many benefits for the Council. It assists in demonstrating that the Council is committed to continuous service improvement and effective corporate governance updating risk assessments as required.

### 11 Freedom of Information

In accordance with the Freedom of Information Act 2000, and GDPR legislation, this document will be posted on the Council's Website [www.newmiltontowncouncil.gov.uk](http://www.newmiltontowncouncil.gov.uk) and copies of this document, and the Annual Governance & Accountability Return (AGAR) is available for inspection at the Council Offices.

## TYPES OF RISK AND IMPACTS

<p><b>MAJOR</b></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>• Death or life-changing injuries</li> <li>• Medium term loss of service and / or operational capability</li> <li>• Adverse national publicity</li> <li>• More than 10 people involved</li> <li>• Litigation almost certain and difficult to defend successfully</li> <li>• Financial loss in excess of £250,000</li> <li>• Breaches of law punishable by imprisonment</li> <li>• Corporate Manslaughter</li> <li>• Corporate Governance failure</li> </ul>	<p><b>SUBSTANTIAL</b></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>• Extensive, permanent injuries, long term sickness</li> <li>• Short term loss of service and / or operational capability</li> <li>• Adverse local publicity</li> <li>• Up to 10 people involved</li> <li>• Litigation to be expected</li> <li>• Financial loss between £100,000 and £250,000</li> <li>• Breaches of the law punishable by fines</li> <li>• GDPR breaches / loss of data</li> <li>• Disaster Recovery failure</li> </ul>
<p><b>MODERATE</b></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>• Medical treatment required / long-term injury sustained to staff or public</li> <li>• Short term disruption to service and / or operational capability</li> <li>• Needs careful public relations</li> <li>• No more than 5 people involved</li> <li>• High potential for complaint locally, lower-level litigation possible</li> <li>• Financial loss greater than 10% and between £25,000 and £100,000</li> <li>• Breaches of regulations / standards</li> <li>• Higher Risk Investment of £250,000</li> </ul>	<p><b>MINOR</b></p> <p><i>Examples:</i></p> <ul style="list-style-type: none"> <li>• No injuries beyond first aid level to staff</li> <li>• No significant disruption to service and / or operational capability</li> <li>• Unlikely to cause any adverse publicity</li> <li>• No more than 2 people involved</li> <li>• Unlikely to cause complaint / litigation</li> <li>• Financial loss below £25,000</li> <li>• Breaches of local procedures</li> <li>• Breaches of local standards</li> <li>• Breaches of accepted protocol</li> <li>• Minor misdemeanours</li> <li>• Financial loss less than 10%</li> </ul>

01.08.23



## Town Development Manager Report For Town Council Meeting 10<sup>th</sup> August 2023

### 1. *Review of Neighbourhood Plan*

The success of establishing a Neighbourhood Plan for the town has meant that collectively, New Milton has achieved a greater input on planning decisions that match local needs and ambitions. Our community has established general planning policies that will be used in deciding planning applications to influence how the town develops in the future.

To further strengthen the policies, ambitions and visual of our town, the neighbourhood plan will benefit from a review. In consideration, areas of the town that hold significant interest for the community, to potentially include a Local Listing for the Rectory at St Mary Magdalen Church. The membership of the NP working party will be reviewed.

### 2. *Street Trading*

A notable attribute of our town is the Wednesday Street Trading market. Struggles have been met in the aftermath of Covid and with changes in trends and consumer demands. As with many towns, it is sad to see that markets are on the decline. The Town Council want to address this by working together to help and support our market so we can see it thrive and grow.

The Street Trading working party will be looking at ways and options to improve and attract a greater interest in our market, both from stall holders and visitors, and to include a richer choice of produce and wares for the consumer to peruse and purchase.

### 3. *Addressing Antisocial behaviour*

New Milton is incredibly privileged to have a supportive and inclusive community that, when facing troubles, will come together to help one another and tackle any ASB that the town may face.

This community spirit was reflected late last year and early this year, when the town was facing a bout of vandalism and burglaries. The communication and strength of our community and business owners, showed the support and determination to tackle this.

Antisocial behaviour is an issue for some of our residents at the moment and we want to address this. Multi-agency meetings are being held between the Town Council, NFDC Safer New Forest, the police and local schools and community groups.

This includes licensing teams to tackle antisocial behaviour as a result of alcoholism and local support services.

Safer New Forest have doorstepped residents in an area of concern and most local residents didn't report any issues, but some are affected. Some mentioned loud behaviour, issues with litter and some disturbance as a result of alcoholism.

This multi-agency approach to tackling ASB will continue, with interested parties meeting regularly to combat ASB within the town.