

Broads Authority

17 March 2023

Agenda item number 10

Financial performance and direction

Report by Director of Finance and Senior Accountant

Purpose

This report provides a strategic overview of current key financial issues and items for decision.

Broads Plan context

Financial performance underpins all the strategic objectives of the Broads Plan.

Recommended decision

- i. To note the outcome of the National Park Grant settlement for 2023/24 and the additional National Park Grant provided for 2022/23.
 - ii. To note the income and expenditure figures.
 - iii. To approve the waiver of standing orders relating to contracts as set out in paragraph 8.2.
 - iv. To adopt the Capital, Treasury and Investment Strategy.
 - v. To adopt the Advertising and Sponsorship Policy.
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1. Introduction

1.1. This report covers six items items:

- The additional National Park Grant for 2022/23 and the agreement for 2023/24 (Section2);
- Consolidated Income and Expenditure up until 31 January 2023 (Sections 3-7);
- Waiver of Standing Orders Relating to Contracts (Section 8);
- The Capital, Treasury and Investment Strategy for 2023/24 (Section 9);
- The Counter Fraud, Bribery and Corruption Strategy; (Section 10); and
- The Advertising and Sponsorship Policy (Section 11).

2. National Park Grant 2022/23 and 2023/24

- 2.1. Members adopted the consolidated budget at the Broads Authority meeting on 20 January where it was noted that the National Park Grant settlement for 2023/24 was expected to be flat cash. This has since been confirmed.
- 2.2. As part of this announcement the Authority also received the unexpected notification that additional National Park Grant of £440,000 would be paid in 2022/23 to the Broads Authority and the nine other English National Park Authorities. A report on this was considered by the Audit and Risk Committee on 14 March 2023. A verbal update will be provided at the meeting.

3. Overview of actual income and expenditure

Table 1

Actual consolidated income and expenditure by directorate to 31 January 2023

Directorate	Profiled latest available budget £	Actual income and expenditure £	Actual variance £
Income	(7,163,062)	(7,285,043)	+ 121,981
Operations	4,019,492	3,509,643	+ 509,849
Strategic Services	1,327,562	1,395,748	-68,186
Finance & Support Services	1,442,644	1,556,466	-113,822
Projects, Corporate Items and Contributions from Earmarked Reserves	(351,639)	60,877	- 412,516
Net (Surplus) / Deficit	(725,003)	(762,309)	+ 37,306

3.1. Core navigation income is above the profiled budget at the end of month ten. The overall position as at 31 January is a favourable variance of £37,306 or a 5.1% difference from the profiled LAB. This is principally due to:

- An overall favourable variance of £121,981 within income:
 - Hire Craft Tolls is £14,782 ahead of the profiled budget.
 - Private Craft Tolls is £29,218 ahead of the profiled budget.
 - Short Visit and Other Tolls is £9,832 ahead of the profiled budget.
 - Investment Income is £68,149 ahead of the profiled budget.
- An underspend within Operations relating to:
 - Construction, Maintenance and Ecology Salaries is over the profiled budget by £23,082 due to the annual inflationary pay rise agreed by the National Joint Council (NJC) being higher than originally budgeted
 - Equipment, Vehicles and Vessels is under the profiled budget by £196,902 due to some of the expenditure from the earmarked reserves is not going ahead this year. This is due to receiving the Capital Grant from DEFRA.
 - Land Management is under the profiled budget by £18,436 due to timing differences on the receipt of the RPA income.

- Practical Maintenance is under the profiled budget by £141,760 due to timing difference on the mooring's maintenance and repairs and the expenditure from the earmarked reserves relating to Hoveton Riverside Park being transferred to 2023/24 budget.
- Waterways and Recreation Strategy is under the profiled budget by £85,643 due to receiving the Access Grant from DEFRA. This money is due to be spent by the 31st March.
- Ranger Services is under the profiled budget by £50,914 as there is a delay in the vehicle replacement funded from the earmarked reserves and electrifying a launch engine.
- Premises is under the profiled budget by £48,417 as the Dockyard solar panel project funded from the earmarked reserves is not going ahead this year. This has been transferred to the 2023/24 budget.
- Premises – Head Office is over the profiled budget by £23,626 due to the cost of the facilities management is higher than originally budgeted.
- An underspend within Strategic Services relating to:
 - Development Management is over the profiled budget by £34,635 due to a decrease in planning application income and an overspend in salaries. The salaries variance is due to the inflationary pay rise agreed by the NJC being higher than originally budgeted.
 - Strategy and Projects is over the profiled budget by £14,410 due to timing differences on the Nature for Climate Peatland project expenditure and grant reclaim.
 - Biodiversity Strategy is under the profiled budget by £10,560 due to receiving additional funding towards the Horsey project and timing differences in expenditure.
 - Human Resources is over the profiled budget by £19,560 due to staff cover.
 - Communications is under the profiled budget by £25,155 due to timing differences on expenditure in a number of budgets.
 - Visitor Services is over the profiled budget by £20,460 due to income for boat trips and moorings being less than originally budgeted.
 - Strategic Services Management and Administration is over the profiled budget by £12,124 due to an overspend in salaries. The salaries variance is due to the inflationary pay rise agreed by the NJC being higher than originally budgeted.
- An overspend within Finance and Support Services relating to:

- National Park Grant is over the profiled budget by £213,392 due to expenditure for the Capital Grant has started, but the funds weren't received until February.
- Governance is under the profiled budget by £17,503 mainly due to a reduction in corporate subscriptions.
- Asset Management is under the profiled budget by £61,986 mainly due to timing differences on lease payments and works funded from the earmarked reserves being transferred to 2023/24 budget.
- ICT is under the profiled budget by £17,950 due to an underspend in stationery costs and computer hardware.
- An adverse variance within reserves relating to:
 - Premises reserve is under the profiled budget due to delays in Dockyard expenditure.
 - Property reserve is under the profiled budget due to work at Hoveton Riverside Park being delayed until 2023/24 and the works at South Walsham slipway no longer being a priority for this financial year.
 - Plant, Vessels and Equipment is under the profiled budget due to the delays in equipment and vehicle replacements.
 - Upper Thurne is under the profiled budget as this work has been delayed into 2023/24.
 - UK Communications Team is over the profiled budget due to Expenditure being ahead of budget.
 - Match Funding is under the profiled budget due to expenditure on the EXPERIENCE project being lower than expected.

3.2. The charts at Appendix 1 provide a visual overview of actual income and expenditure compare with both the original budget and the LAB.

4. Latest available budget

4.1. The Authority's income and expenditure is monitored against the latest available budget (LAB) for 2022/23. The LAB is based on the original budget for the year, with adjustments for known and approved budget changes such as carry-forwards and budget virements. Full details of movements from the original budget are set out in Appendix 2.

Table 2

Adjustments to consolidated LAB

Item	Authorisation reference	Amount £
Original budget 2022/23 – deficit	Broads Authority 28/01/22 Agenda item number 9	352,484
Approved budget carry-forwards	Broads Authority 13/05/22 Agenda item number 9	75,000
LAB as at 31 January 2023	n/a	427,484

5. Overview of forecast outturn 2022/23

- 5.1. Budget holders have been asked to comment on the expected income and expenditure at the end of the financial year in respect of all budget lines for which they are responsible.
- 5.2. Since the last report in November, the forecast deficit has decreased and is now a favourable variance when compared with the LAB. The forecast is still showing a deficit and this will need to be balanced through the use of reserves.

A summary of these adjustments are given in the table below:

Table 3

Adjustments to Forecast Outturn

Item	Amount £
Forecast outturn deficit per LAB	427,484
Adjustments previously reported	30,239
Increase to Hire Craft income	(6,092)
Increase to Private craft income	(34,150)
Increase to Investment income due to rate increase	(35,000)
Decrease to salary costs following vacancies	(11,594)
Decrease to Planning Fee income	16,000
Increase to expenditure	500
Forecast outturn deficit as at 31 January 2023	387,387

6. Reserves

- 6.1. As in previous years, the Authority's contributions to the reserves have all been made in full at the end of quarter one. This has resulted in some reserves showing increased balances at the end of January. It was anticipated that these would reduce as planned

purchases take place throughout the year but some of this work will happen in 2023/24 instead due to other work taking priority.

- 6.2. Items funded from the Property Reserve include repairs to the Eel Sett and How Hill Nature Trail. The Plant, Vessels and Equipment reserve has the income from the disposal of vehicles and scrap metal and the deposits for three new vehicles.

Table 4

Consolidated earmarked reserves

Reserve name	Balance at 1 April 2022 £	In-year movements £	Current reserve balance £
Property	(880,274)	(35,321)	(915,595)
Plant, Vessels and Equipment	(485,138)	(204,610)	(689,748)
Premises	(293,951)	(80,000)	(373,951)
Planning Delivery Grant	(244,810)	0	(244,810)
Upper Thurne Enhancement	(187,031)	(21,000)	(208,031)
Heritage Lottery Fund	(7,619)	131,777	124,158
Catchment Partnership	(84,381)	629	(83,752)
CANAPE	(476,272)	74,459	(401,813)
Computer Software	(129,326)	(20,000)	(149,326)
UK Communications	(38,346)	16,990	(21,356)
Match Funding	(46,130)	29,038	(17,092)
Total	(2,873,278)	(108,038)	(2,981,316)

- 6.3. £1,482,155 of the current reserve balance above relates to Navigation reserves.

7. Summary

- 7.1. The forecast position for the year suggests a deficit within the National Park and Navigation budget, which will be balanced through the use of reserves. This would result in a National Park Reserve balance of approximately £673,000 and a Navigation Reserve balance of £609,000 at the end of 2022/23 (before any year-end adjustments for interest). This would mean that both reserves would be above the recommend levels, with National Park at 18.4% and Navigation at 15%.

8. Waiver of Standing Orders relating to Contracts

- 8.1. Members may recall at the September meeting members were asked to approve a waiver of standing orders relating to contracts for the scaffolding at Muttons Mill for an

additional period of six months. This work is part of the Heritage Lottery Project where scaffolding has been assembled at Mutton's Mill to complete repairs.

- 8.2. However, a further extension of two months is required at a cost of £1,770, this will bring the total cost of the contract to £26,432. This is due to the loss of contractor staff and longer timescales in obtaining new parts from the millwright than expected. This means the scaffolding needs to be retained for a longer period than planned. The driver behind this request is that obtaining additional quotes would involve the Authority paying for potentially new scaffolding to be erected and would further extend the project and given the poor condition of the access track it would not be possible for scaffolders to get to the site at present. The extension, with the previous six months agreed, equates to over a 10% extension and therefore exceeds the CEO delegated powers. Members are requested to approve this waiver of Standing Orders

9. Annual Capital, Treasury and Investment Strategy

- 9.1. The Prudential Code for capital finance in local authorities requires local authorities, including the Broads Authority, to prepare an Annual Investment and Treasury Strategy.
- 9.2. This strategy must be approved, before the start of each financial year, by the Authority.
- 9.3. The Prudential Code requires investments to be analysed between investments for treasury management, service and commercial purposes. The Authority holds investments purely for Treasury management purposes. This is where investments arise from cashflows and will ultimately represent balances that need to be invested until the cash is required for use in the course of business. Investments for service purposes are generally linked to those authorities who provide housing, regeneration and local infrastructure. Investments for commercial purposes are held primarily for financial return such as commercial property.
- 9.4. Due to the Authority's purchase of the dredging operation from May Gurney, financed by a loan from the Public Works Loan Board (PWLb), the Annual Treasury and Investment Strategy needs to take account of the prudential indicators required by the Prudential Code.
- 9.5. The Prudential Code aims to ensure that the capital investment plans are affordable, prudent and sustainable. A further key objective is to ensure that treasury management decisions are taken in accordance with good professional practice.
- 9.6. The Annual Treasury, Investment and Capital Financing Strategy includes the key prudential indicators necessary for an authority that has borrowing. The prudential indicators are designed to support and record local decision making in a publicly accountable manner. At the beginning of each year, estimates for the prudential indicators are set and agreed by members. In the past actual indicators were compared to the estimates once the annual accounts are produced in May each year. The updated

code requires these prudential indicators to be reported quarterly and this will be included in the Financial Performance and Direction reports from 2023/24.

- 9.7. The Annual Capital, Treasury and Investment Strategy for 2023/24 is attached at Appendix 3 for members' consideration. A draft was reviewed by the Audit and Risk Committee on 14 March.
- 9.8. The Investment section of the strategy has been updated to reflect current holdings in paragraph 3.1. Paragraph 4.3 highlights the impact of the introduction of IFRS 16 Leases on the Authority. The introduction of this standard has been delayed by CIPFA for several financial years and will now be introduced in 2024/25. Where right to use leases are included under the adoption of IFRS 16, this will increase the Authority's assets as well as its other long-term liabilities (borrowings). As a result, the authorised level of debt may need to increase for years beyond 2024/25. Where amounts in the strategy need to be revised as part of this analysis, these will be reported back to the Broads Authority at the earliest opportunity.
- 9.9. Capital borrowing powers are reviewed on an annual basis as part of the budgeting process. However, in practice long term borrowing is limited to the acquisition of the dredging operation from May Gurney.
- 9.10. There are no additional financial implications for the Authority as a result of this report as the expenditure proposed, including the loan interest and capital repayments to the Public Works Loan Board, have been incorporated into approved budgets.

10. Counter Fraud, Bribery and Corruption Strategy

- 10.1. At the Audit and Risk on 14 March the updated Counter Fraud, Bribery and Corruption Strategy was considered by the committee. Under the Terms of Reference of Committees it sets out in section 4 (Audit and Risk Committee) paragraph 15 the powers to approve such documents. A verbal update on its status will be given at the meeting.
- 10.2. The strategy applies to all persons working for the Authority or on its behalf and in any capacity. All members have a role in supporting and promoting a strong counter fraud culture and a copy of the strategy can be found at Appendix 4.

11. Advertising and Sponsorship Policy

- 11.1. The policy was last reviewed by the Authority in February 2019 and it has been updated into the Authority's accessible format. A version highlighting the amendments can be found in track changes at Appendix 5. This was considered by Audit and Risk on 14 March and a verbal update will be provided at the meeting.
- 11.2. The Management Team, the Head of Communications and the UK Director of Communications have been consulted on the revised version and their comments and feedback have been incorporated into the revised strategy. The main changes are

around updating success to date (section 8) and amending references from State Aid to Subsidy Control (section 9) following the UK leaving Europe.

Author: Emma Krelle and Ellie Richards (sections 3-7)

Date of report: 03 March 2023

[Broads Plan](#) strategic objectives: All

Appendix 1 – Consolidated actual income and expenditure charts to 31 January 2023

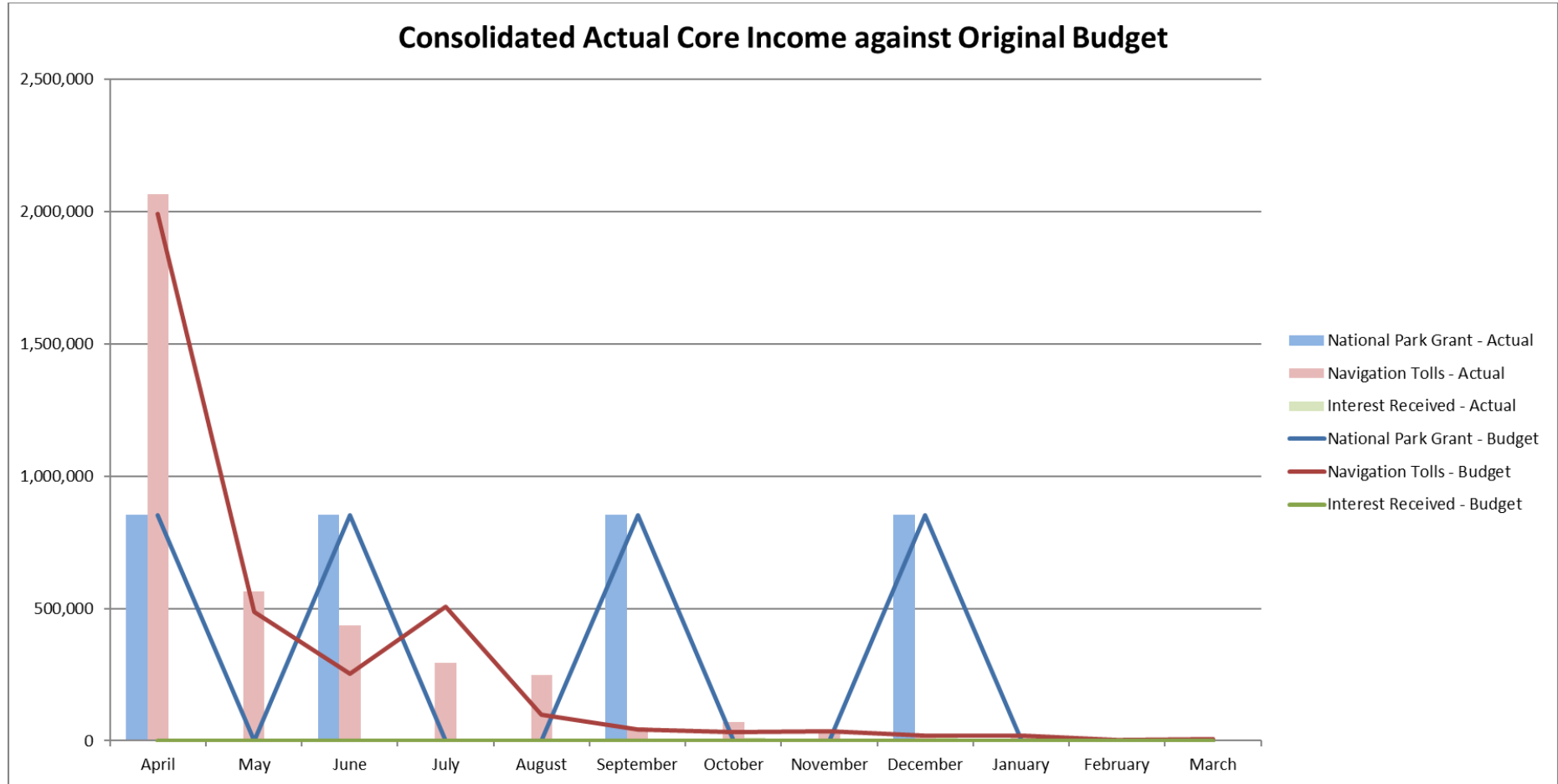
Appendix 2 – Financial monitor: Consolidated income and expenditure 2022/23

Appendix 3 – Capital Treasury and Investment Strategy 2023-24 DRAFT.pdf

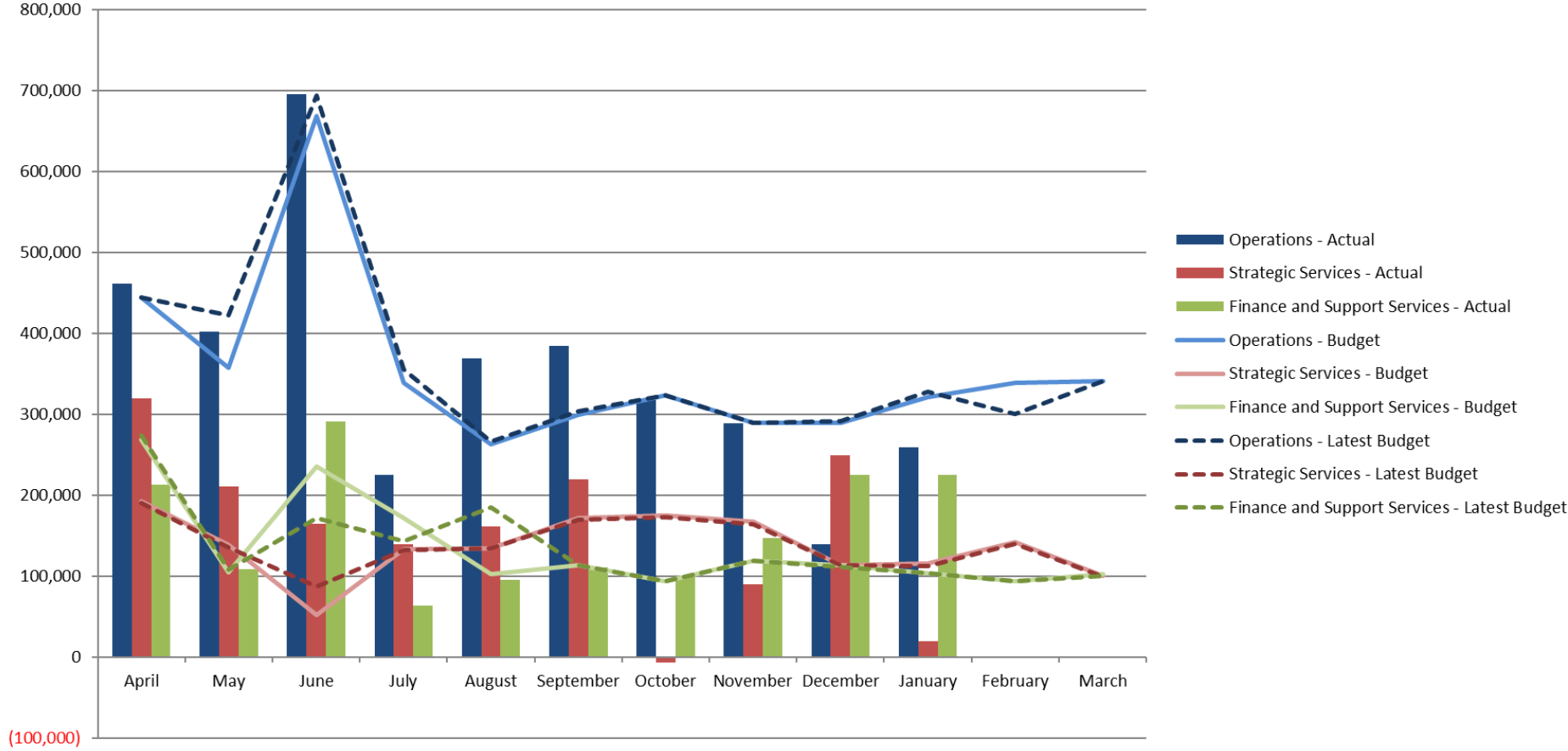
Appendix 4 – Counter Fraud, Corruption and Bribery Strategy (new format Feb 2023)

Appendix 5 – Advertising and Sponsorship Policy (new format Feb 2023)

Appendix 1 – Consolidated actual income and expenditure charts to 31 January 2023



Consolidated Net Actual Expenditure against Original and Latest Budget



Appendix 2 – Financial monitor: Consolidated income and expenditure 2022/23

Table 1
Income

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Income	(7,175,468)	0	(7,175,468)	(8,371,450)	1,195,982
National Park Grant	(3,414,078)	0	(3,414,078)	(4,469,078)	1,055,000
Hire Craft Tolls	(1,186,000)	0	(1,186,000)	(1,200,782)	14,782
Private Craft Tolls	(2,489,000)	0	(2,489,000)	(2,516,200)	27,200
Short Visit Tolls	(48,000)	0	(48,000)	(48,000)	0
Other Toll Income	(32,390)	0	(32,390)	(32,390)	0
Interest	(6,000)	0	(6,000)	(105,000)	99,000

Table 2
Operations

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Total Operations	4,691,344	75,000	4,766,344	4,455,794	310,550
Construction and Maintenance Salaries	1,382,480	0	1,382,480	1,430,496	-48,016
Salaries	1,384,240	0	1,384,240	1,430,575	-46,335
Expenditure	(1,760)	0	(1,760)	(79)	-1,681
Equipment, Vehicles & Vessels	730,645	0	730,645	526,760	203,885
Income	(13,700)	0	(13,700)	(14,000)	300
Expenditure	744,345	0	744,345	540,760	203,585
Water Management	79,840	0	79,840	79,840	0
Expenditure	79,840	0	79,840	79,840	0
Land Management	(40,786)	0	(40,786)	(40,786)	0
Income	(97,606)	0	(97,606)	(97,606)	0
Expenditure	56,820	0	56,820	56,820	0
Practical Maintenance	640,195	75,000	715,195	592,990	122,205
Income	(11,000)	0	(11,000)	(11,425)	425
Expenditure	651,195	75,000	726,195	604,415	121,780
Waterways and Recreation Strategy	54,100	0	54,100	56,420	-2,320

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Income	0	0	0	(76,621)	76,621
Salaries	42,100	0	42,100	44,420	-2,320
Expenditure	12,000	0	12,000	88,621	-76,621
Ranger Services	1,067,690	0	1,067,690	1,060,234	7,456
Income	0	0	0	0	0
Salaries	866,570	0	866,570	878,827	-12,257
Expenditure	200,870	0	200,870	181,157	19,713
Pension Payments	250	0	250	250	0
Safety	122,430	0	122,430	149,330	-26,900
Income	(1,000)	0	(1,000)	(1,000)	0
Salaries	78,100	0	78,100	81,560	-3,460
Expenditure	45,330	0	45,330	68,770	-23,440
Premises	232,190	0	232,190	184,610	47,580
Income	(3,500)	0	(3,500)	(5,100)	0
Expenditure	235,690	0	235,690	189,710	45,980
Premises – Head Office	263,880	0	263,880	263,880	0
Income	0	0	0	0	0
Expenditure	263,880	0	263,880	263,880	0

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast outturn variance (Consolidated) £
Project Funding	12,100	0	12,100	4,600	7,500
Expenditure	0	0	0	(7,500)	7,500
Pension Payments	12,100	0	12,100	12,100	0
Operations Management and Administration	146,580	0	146,580	147,420	-840
Salaries	138,080	0	138,080	138,920	-840
Expenditure	8,500	0	8,500	8,500	0

Table 3
Strategic Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Strategic Services	1,691,702	0	1,691,702	1,759,978	-68,276
Development Management	364,240	0	364,240	404,000	-39,760
Income	(100,000)	0	(100,000)	(84,000)	-16,000
Salaries	408,840	0	408,840	422,600	-13,760
Expenditure	50,850	0	50,850	60,850	-10,000
Pension Payments	4,550	0	4,550	4,550	0
Strategy and Projects Salaries	212,500	0	212,500	222,960	-10,460
Income	(962,486)	0	(962,486)	(962,486)	0
Salaries	175,350	0	175,350	185,970	-10,620
Expenditure	999,636	0	999,636	999,476	160
Strategy and Projects	1,000	0	1,000	1,000	0
Expenditure	1,000	0	1,000	1,000	0
Biodiversity Strategy	11,900	0	11,900	11,900	0
Income	0	0	0	(5,103)	5,103
Expenditure	11,900	0	11,900	17,003	-5,103
Human Resources	150,610	0	150,610	172,150	-21,540

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Income	0	0	0	(370)	370
Salaries	91,960	0	91,960	113,870	-21,910
Expenditure	58,650	0	58,650	58,650	0
Volunteers	73,300	0	73,300	75,330	-2,030
Salaries	53,900	0	53,900	55,930	-2,030
Expenditure	19,400	0	19,400	19,400	0
Communications	428,704	0	428,704	427,920	784
Income	(115,272)	0	(115,272)	(89,480)	-25,792
Salaries	303,810	0	303,810	373,780	-69,970
Expenditure	240,166	0	240,166	143,620	96,546
Visitor Centres and Yacht Stations	339,370	0	339,370	326,450	12,920
Income	(200,600)	0	(200,600)	(200,600)	0
Salaries	396,620	0	396,620	383,700	12,920
Expenditure	143,350	0	143,350	143,350	0
Strategic Services Management and Administration	110,078	0	110,078	118,268	-8,190
Salaries	112,950	0	112,950	121,140	-8,190
Expenditure	(2,872)	0	(2,872)	(2,872)	0

Table 4

Finance & Support Services

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Finance & Support Services	1,659,775	0	1,659,775	2,660,305	-1,000,530
National Park Grant	0	0	0	1,055,000	-1,055,000
Expenditure	0	0	0	1,055,000	-1,055,000
Legal	96,000	0	96,000	94,000	2,000
Income	(4,000)	0	(4,000)	(6,000)	2,000
Expenditure	100,000	0	100,000	100,000	0
Governance	249,960	0	249,960	230,650	19,310
Salaries	173,060	0	173,060	170,350	2,710
Expenditure	76,900	0	76,900	60,300	16,600
Chief Executive	125,240	0	125,240	123,940	1,300
Salaries	124,240	0	124,240	122,940	1,300
Expenditure	1,000	0	1,000	1,000	0
Asset Management	146,609	0	146,609	105,199	41,410
Income	(24,000)	0	(24,000)	(24,000)	0
Salaries	47,970	0	47,970	49,560	-1,590
Expenditure	122,639	0	122,639	79,639	43,000

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Finance and Insurance	452,746	0	452,746	468,666	-15,920
Salaries	234,620	0	234,620	237,540	-2,920
Expenditure	218,126	0	218,126	231,126	-13,000
Collection of Tolls	193,760	0	193,760	195,220	-1,460
Salaries	182,760	0	182,760	184,220	-1,460
Expenditure	11,000	0	11,000	11,000	0
ICT	395,460	0	395,460	387,630	7,830
Salaries	202,560	0	202,560	206,280	-3,720
Expenditure	192,900	0	192,900	181,350	11,550

Table 5

Projects and Corporate items

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Projects and Corporate Items	(5,387)	0	(5,387)	(3,687)	-1,700
Partnerships / HLF	(151,987)	0	(151,987)	(151,987)	0
Income	(681,924)	0	(681,924)	(887,420)	205,496
Salaries	104,180	0	104,180	183,140	-78,960
Expenditure	425,757	0	425,757	552,293	126,536
Corporate Items	146,600	0	146,600	148,300	-1,700
Expenditure	19,600	0	19,600	21,300	-1,700
Pension Payments	127,000	0	127,000	127,000	0

Table 6

Contributions from earmarked reserves

Row labels	Original budget (Consolidated) £	Budget adjustments (Consolidated) £	Latest available budget (Consolidated) £	Forecast outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Total Contributions from Earmarked Reserves	(509,482)	0	(509,482)	(113,553)	-395,929
Earmarked Reserves	(509,482)	0	(509,482)	(113,553)	-395,929
Expenditure	(509,482)	0	(509,482)	(113,553)	-395,929

Table 7

Net (Surplus) / Deficit

Row labels	Original Budget (Consolidated) £	Budget Adjustments (Consolidated) £	Latest Available Budget (Consolidated) £	Forecast Outturn (Consolidated) £	Forecast Outturn Variance (Consolidated) £
Grand Total	352,484	75,000	427,484	387,387	40,097

Capital, treasury and investment strategy 2023/24

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Capital Strategy

1. Introduction

- 1.1. The update of CIPFA's Prudential Code in December 2021 and Capital Finance guidance notes in September 2018 introduced the need for Local Authorities to have a Capital Strategy from 2019/20. It is intended to provide a high-level overview of how capital expenditure; capital financing and treasury management contribute to the provision of services and how the risks of these activities are managed and what impact it may have for future financial sustainability.
- 1.2. The Capital Strategy will be renewed annually. Monitoring and approval of the strategy will remain with the Authority.
- 1.3. The Capital Strategy provides a link between The Broads Plan, Strategic Priorities, the Asset Management Strategy and the Financial Strategy.
- 1.4. The current Broads Plan covers the period of 2022-2027. It is a partnership strategy for the whole of the Broads and sets out guiding actions not just for the Authority but all partners. Its success very much depends on a common vision, strong partnership working and the best use of shared resources. The plan is available on the website [Broads Plan 2022 - 2027 \(broads-authority.gov.uk\)](https://broads-authority.gov.uk). This plan will be monitored through an annual meeting with key delivery partners and to maximise joint partnership working.
- 1.5. The Authority's Strategic priorities are set annually by the members in line with objectives in the Broads Plan. Progress against the Strategic priorities is reported regularly to the Broads Authority and details can also be found on the website.
- 1.6. The Asset Management Strategy sets out the Authority's practices and procedures which have been established to ensure that the Authority's land, property and other assets are managed and maintained as effectively as possible. It also sets out a series of key principles which will be adhered to in the management of the asset base and guidance on the procurement and disposal of land and property. A copy is also available on the website.
- 1.7. The annual Budget and Financial Strategy includes capital expenditure for the forthcoming year and the following two financial years. The earmarked reserves appendix identifies what capital expenditure will be funded in each year. Although the later years are based on the replacement programmes the last two financial years should be seen as estimates. These estimates maybe updated as a result of refining the costings during budget setting for those years.

2. Core principles

- 2.1. All capital expenditure and investment decisions will be affordable, proportionate, prudent and sustainable.
- 2.2. Decisions to invest or dispose of capital items will comply with the Authority's delegated powers, standing orders and financial regulations.
- 2.3. Capital expenditure will reflect the aspirations set out in the Broads Plan, Strategic Priorities and the authority's environmental and carbon policies.
- 2.4. New areas of major capital expenditure (£250,000 plus) will be supported by a fully costed appraisal over the lifetime of the scheme and incorporated into the annual budget. Risks will be fully considered, not just during initiation but over the lifetime of the asset including its potential disposal.

3. Capital expenditure

- 3.1. Whilst other Local Authorities have large capital expenditure programmes to fund housing and regeneration projects the Authority's expenditure remains modest and focuses on operational need. Items of major capital expenditure are identified through the Asset Management Strategy replacement programme and as part of the budget setting process. Items of expenditure over £5,000 that have a useful economic life of more than one financial year are classified as capital expenditure.
- 3.2. Capital Expenditure can be funded via a number of methods. These include revenue budgets, earmarked reserves, finance leases, long term borrowing and capital receipts. All capital expenditure on physical assets is held on the Balance Sheet under Property, Plant and Equipment. At the end of 2021/22 the value of these items was £4.6m, of which £43k was funded by finance leases.
- 3.3. Traditionally revenue budgets tend to fund the smaller items such as tools and equipment. However larger Navigation items can be funded through revenue as a result of tolls setting. For 2018/19 the level of tolls was increased to facilitate the purchase of Tree Shears. In 2017/18 the moorings maintenance programme was rescheduled to enable the purchase of Acle Bridge moorings from revenue. The ongoing maintenance of assets is funded by revenue budgets and is not capitalised. Cost estimates are made on the basis of forecast maintenance required to keep assets in operational use.
- 3.4. Through identification of the Asset Management Strategy annual contributions are made from the revenue budget to the earmarked reserves to cover the cost of future replacements. Balances are built up and then drawn down in future years. Expenditure from the earmarked reserves is considered annually alongside the revenue budget, with a forecast for the following two financial years. Replacement

costs are regularly monitored to ensure that the contributions remain appropriate to the earmarked reserves. Where adjustments are required this will be passed to the Authority as part of the annual budget setting process.

- 3.5. Although long term borrowing remains an option to the Authority it is not regularly utilised for capital expenditure. At the end of 2021/22 the balance sheet contained one long term loan which had an outstanding balance of £79.75k. Further details can be found in the Treasury Management Policy Statement on borrowing principles (section 2.3).
- 3.6. The Authority currently holds one capital receipt following the disposal of Ludham Fieldbase in August 2018. Capital receipts can be used to fund new capital expenditure or the repayment of debt. It is currently being held on the balance sheet with the Navigation share earmarked for the new toll system. New long-term capital projects will consider utilising the balance.

4. Short, medium and long term capital priorities

Short and medium term priorities (1-3 Years)

- 4.1. The Authority's short to medium term priorities is delivering the asset replacements detailed within the Asset Management Strategy and Earmarked reserves. The focus is on continued operations but with the potential to remain flexible as new opportunities for efficient working arise or if urgent items arise. Replacement items to be funded over the next three years include vehicles, excavators, wherries and Ranger launches. All of which will be funded from the Earmarked reserves.
- 4.2. It is expected that during the short to medium term that the potential options around Visitor Services and facilities will be explored. As options for improvements at existing site or new sites are developed these will be brought back to members with a business case. The key issue for new sites remains initial funding which will be explored through potential funding bids and partnership. As this progresses papers highlighting risks will be taken to the Authority for members to make the final decision.
- 4.3. The use of reserves other than earmarked reserves will require approval from the Authority. The impact of loss of investment income will need to be offset by the benefits of such a capital project.

Long term priorities (4 years plus)

- 4.4. The Authority's long-term priorities will be shaped by future funding agreements received from DEFRA in the form of National Park Grant and potential toll increases. Reductions to either forms of income could impact the potential to replace assets as they near the end of their useful lives and ongoing maintenance programmes. Long

term priorities, will need to ensure that they will generate income to fund their upkeep and any reduction in investment income.

- 4.5. Larger items of equipment such as the wherries and launches can be operational anywhere between 20 and 50 years. It is essential that their ongoing maintenance is incorporated into the revenue budget and the contributions to the earmarked reserves continue.
- 4.6. The moorings refurbishment programme remains a key area of maintenance to ensure that moorings remain safe to use by the public. Where the Authority is responsible for future piling and upkeep it will seek to own sites or minimise rental payments in recognition for this ongoing responsibility.

5. Risk appetite

- 5.1. The Authority's risk appetite towards capital expenditure remains low and will be based around the core principles. Funding of capital items will continue mainly through existing resources but on occasion finance leases or other borrowing maybe appropriate. Borrowing principles are set out in the Treasury Strategy (section 2.2) and the forecast of capital expenditure and borrowing limits is in the Investment Strategy (section 4).
- 5.2. The Authority recognises the importance of ensuring that all staff involved in the capital strategy are equipped to undertake the duties and responsibilities allocated to them. Recruitment of vacant posts will reflect this position and training opportunities will be identified through the annual appraisal.
- 5.3. It is recognised decisions surrounding land and buildings carry a higher degree of risk. Where opportunities arise of acquisition or disposal the Authority will make use of its property consultants and legal advisers to ensure these risks are fully understood.

Treasury strategy

1. Introduction

- 1.1. Both CIPFA's Treasury Management Code of Practice (2021 Edition) and the Prudential Code requires the Authority to produce a strategy which explains the Authority's borrowing and investment activities and the effective management and control of those risks. This strategy seeks to incorporate the best practice recommendations from this guidance whilst also bearing in mind the Guidance for Smaller Public Service Organisations (2014 Edition).

2. Treasury management policy statement

- 2.1. The Authority defines its treasury management activities as:

- The Management of the organisation's borrowing, investments and cash flows, including its banking, money market and capital market transactions; the effective control of the risks associated with those activities and the pursuit of optimum performance consistent with those.
- The Authority regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation, and any financial instruments entered into to manage these risks.
- The Authority acknowledges that effective treasury management will provide support towards the achievement of its strategic objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance management techniques, within the context of effective risk management.

Borrowing principles

- 2.2. The Authority intends to fund all of its capital expenditure from either its earmarked reserves, capital receipts or from its revenue accounts. However if any of those accounts hold insufficient funds borrowing maybe considered.
- 2.3. The Authority currently has one long term loan from the Public Works Loan Board (PWLb) that was utilised to purchase the dredging operation from May Gurney in November 2007 for £290,000. This is to be paid over a 20-year period at a fixed interest rate of 4.82%. Repayments are incorporated into the revenue budget. The Authority also has the option to enter into finance leases to purchase capital items. Typically this has included the purchase of large pieces of equipment such as the

JCB, the Doosan excavator and the concrete pump. International Financial Reporting Standards include these types of leases as borrowing due to the risk and reward of the asset transferring to the Authority. During 2020 the Authority took out a short-term loan from the PWLB for £105,000 to fund the purchase of a new excavator. This is to be repaid over 5 years at a fixed interest rate of 2%. This was considered the most cost-effective form of borrowing when compared to a finance lease.

- 2.4. If additional borrowing was deemed necessary following committee consultation then the Authority would need to minimise the costs to the revenue budgets including future year repayments and undertake new borrowing at the cheapest cost.

Investment principles

- 2.5. The Authority's main objective is the prudent investment of its treasury balances. Investments are made purely for treasury management purposes, not to support service and commercial purposes. The main priorities are the security of capital and the liquidity of its investments. It will be only after these have been satisfied that it will aim to achieve optimum return on its investments. The Authority will not engage in borrowing purely to invest or to on-lend to make a return. Such activity is considered unlawful.

Treasury management practices

Risk management

- 2.6. The Authority adopts a low risk appetite to its treasury management but is not totally risk averse. It will invest with other institutions with appropriate credit ratings rather than just making use of government deposits. If additional borrowing should be required it will seek to borrow on a fixed rate basis to build in assurance for future year liabilities.
- 2.7. As part of the Authority's corporate and directorate risk registers, risks are monitored and managed on a regular basis. This includes investment risks. Corporate risks are reported to every meeting of the Audit and Risk Committee. Responsible Officers review these throughout the year and are discussed at Directorate meetings.
- 2.8. Risks specific to treasury management include:
- **Credit and Counterparty:** The main objective of the Authority is to secure the principal sum it invests and therefore takes a prudent approach as to whom it invests funds with. This is limited to organisations who meet minimum criteria and is covered in more detail within the investment strategy. The Authority also faces this risk through the default of its debtors. Payment terms are limited to 30

days or where appropriate payment is asked for in advance. Corrective action is taken as required to secure outstanding debts. Bad debts are kept to a minimum.

- **Liquidity:** The Authority will maintain adequate but not excessive cash balances and borrowing arrangements to enable it to achieve its strategic objectives. The Authority will only borrow in advance of need where there is a clear business case to do so and will only do so for the current capital programme. Debt repayments are included in the annual revenue budget.
- **Interest rate:** The Authority will manage its exposure to fluctuations to interest rate risks in line with its budgets. It will achieve this through the prudent use of its approved instruments, methods and techniques to create stability and certainty of costs and revenues, whilst remaining sufficient flexibility to take advantage of unexpected changes to interest rates. The Authority will limit fixed term deposits to a period of no longer than one year to limit risks to liquidity.
- **Exchange rate:** The Authority will manage its exposure to fluctuations in exchange rates to minimise any impact on its budgeted income/expenditure levels. External advice will be sought to manage this in the most appropriate way as it could have a significant impact; this is particularly important in regards to EU grants.
- **Inflation:** The Authority will keep under review the sensitivity of its treasury assets and liabilities to inflation, and will seek to manage the risk accordingly in the context of the whole Authority's inflation exposures.
- **Re-financing:** If the Authority was in a position to re-finance its borrowing it will ensure that such arrangements are negotiated, structured and documented and the maturity profile of the monies so raised are managed, with a view to obtaining offer terms for renewal or re-financing. These will be competitive and as favourable to the organisation that can be reasonably achieved in the light of market conditions at the time. It will manage its relationships with its counterparties to secure this objective and will avoid the over reliance on any one source of funding if this might jeopardise achievement of the above.
- **Legal and regulatory:** The Authority will ensure all of its treasury management activities comply with its statutory powers and regulatory requirements. It will demonstrate such compliance, if required to do so, to all parties with whom it deals in such activities. The Authority recognises that future legislative or regulatory changes may impact on its treasury management activities and, so far as reasonable to do so, will seek to minimise any adverse risks.

- **Operational risk, including fraud, error and corruption:** The Authority will ensure that it has identified the circumstances which may expose it to the risk of loss through inadequate or failed internal processes, people and systems or from external events. It will employ suitable systems and procedures to ensure segregation of duties, and will maintain effective contingency management arrangements to do so. In addition, the Authority holds Fidelity Guarantee Insurance with Zurich Municipal as part of its overall insurance management arrangements.
- **Price:** The Authority will seek to ensure that its stated treasury management policies and objectives will not be compromised by adverse market fluctuations in the value of the principal sums it invests, and will accordingly seek to protect itself from such fluctuations.

Performance measurement

- 2.9. Treasury management will be subject to regular review of its value for money and if other alternative methods of delivery will become more appropriate. The Audit and Risk Committee will receive reports twice a year detailing performance. It will also review the Treasury Strategy prior to the Authority meeting which remains responsible for its adoption. Further details of those performance measures are included within the Investment Strategy.

Decision making and analysis

- 2.10. The Authority will maintain full records of its treasury management decisions, and of the processes and practices applied in reaching those decisions, both for the purposes of learning from the past, and for demonstrating that reasonable steps have been taken to ensure that all issues relevant to those decisions were taken into account at that time.

Approved instruments, methods and techniques

- 2.11. The Authority will undertake its treasury management activities by only employing those instruments, methods and techniques as detailed in the Investment Strategy. The Authority does not intend to use derivative instruments to manage risk. However if it chose to do so in the future it would seek proper advice and will consider that advice when entering into arrangements to use such products to ensure that it fully understands those products.

Organisation, clarity & segregation of responsibilities, and dealing arrangements

- 2.12. In order for there to be effective control and risk management it is essential that there is clear segregation of duties for the reduction of the risk of fraud and error and for the pursuit of optimum performance. This will be subject to regular review by Internal Audit as part of its key control test. If at any time there is a lack of resources that does not allow this, it will be reported to the Audit and Risk

Committee. Such duties are detailed in the Finance department's job descriptions and are reviewed annually.

- 2.13. The Director of Finance is responsible for the development of the strategy, whilst cash flow monitoring is undertaken by the Senior Finance Assistant and reviewed by the Senior Accountant. The Director of Finance will remain responsible for identifying appropriate counter parties in line with agreed criteria. Funds to be transferred will be carried out by the Senior Finance Assistant, Financial Accountant and Senior Accountant following approval by the Director of Finance. All funds will be automatically transferred back into the Authority's main bank account. The Director of Finance will ensure there is proper documentation for all deals and transactions, and that procedures exist for the effective transmission of funds.

Reporting requirements and management information

- 2.14. The Director of Finance will prepare regular reports for consideration on the implementation of its policies, the effects of decisions taken and transactions executed. The reports will also consider the impact of any changes on the budget or other regulatory, economic and market factors.
- 2.15. The Broads Authority will receive an annual report on the strategy and the plan for the coming year. The Audit and Risk Committee will review this strategy and receive a mid-year review and an annual report on activity over the last year. Any impact on investment income will be reported throughout the year to the Broads Authority as part of its Finance Performance and Direction reports.

Budgeting, accounting and audit arrangements

- 2.16. The Director of Finance will prepare the annual budget which will include the costs of the treasury function as well as the investment income as deemed by statute and regulation. The Director of Finance will be responsible for exercising control over these items and will report any changes as required as detailed above.

This Authority will account for its treasury management activities, decisions made and transactions executed, in accordance with appropriate accounting practices and standards, and with statutory and regulatory requirements in force for the time being.

Cash and cash flow management

- 2.17. The Director of Finance will be responsible for all monies in the hands of the Authority and will be reviewed for cash flow and investment management purposes. Cash flow projections will be prepared on a regular and timely basis to ensure that liquidity risk is monitored. This will be undertaken on a weekly basis by the Senior Finance Assistant and reviewed by the Senior Accountant. This weekly forecast will

also look at predictions for the current month. Annual cash flow predictions will be prepared by the Director of Finance following preparation of the annual budget.

Money laundering

- 2.18. The Authority is aware that it may become the subject of an attempt to involve it in a transaction involving the laundering of money. Further details can be found in the Authority's Counter Fraud, Bribery and Corruption policy and its Financial Regulations. Copies are available to all staff on the Intranet.

Training and qualifications

- 2.19. The Authority recognises the importance of ensuring that all staff involved in the treasury management are equipped to undertake the duties and responsibilities allocated to them. Recruitment of vacant posts will reflect this position and training opportunities will be identified through the annual appraisal.
- 2.20. The Director of Finance will ensure that the Audit and Risk Committee who have treasury management/scrutiny responsibilities have access to training relevant to their needs and responsibilities.
- 2.21. Those charged with governance recognise their individual responsibility to ensure that they have the necessary skills to complete their role effectively.

Use of external providers

- 2.22. The Authority recognises that responsibility for treasury management decisions remain with the Authority at all times. It recognises that there may be value in employing external providers in order to access specialist skills and resources. However the use of external providers is not currently used based on the Authority's limited amount of surplus funds and the costs associated. If this position changed it would ensure a full evaluation had been undertaken as to the costs and benefits through the Authority's Standing Orders.

Corporate Governance

- 2.23. Treasury Management activities will be undertaken with openness and transparency, honesty, integrity and accountability. This together with the other arrangements detailed in the Investment Strategy are considered vital to the achievement of proper corporate governance in treasury management. The Director of Finance will monitor and report upon the effectiveness of these arrangements.

Management practices for non-treasury investments

- 2.24. The Authority recognises that investment in other financial assets and property primarily for financial return, taken for non-treasury management purposes, requires careful investment management. Such activity includes loans supporting service outcomes, investments in subsidiaries, and investment property portfolios.

2.25. The Authority will ensure that all investments are covered in the investment strategy, and will set out, where relevant, the Authority's risk appetite and specific policies and arrangements for non-treasury investments. It will be recognised that the risk appetite for these activities may differ from that for treasury management. Where the Authority holds non-treasury investments a schedule of these types of investments will be included.

Annual Investment Strategy 2023/24

This strategy builds on those principles and practices as laid out in the Treasury Management Strategy. It continues to give priority to the security of capital and liquidity before returns are considered.

The Authority will continue to invest in Sterling and will consider the bodies environmental, social and governance (ESG) practices.

1. Specified investment

1.1. These investments are made in Sterling and have a duration of 1 year or less.

Typically, these are low risk investments due to being made with high credit rating bodies, examples include:

- UK government or local authorities;
- UK/European banks and building societies
- Money Market funds (AAA rated by credit rating agency)
- Debt Management Agency deposit facility

1.2. This list is not exhaustive but highlights where the Authority is most likely to place its funds.

1.3. To mitigate against the risks of credit and counterparty the Authority will only seek investments with bodies that have at least a short-term rating of F-1 as stated by Fitch credit ratings.

1.4. The Authority will monitor these ratings monthly through online credit watches and use these to determine any new investments. This may mean those failing to meet the criteria will be removed from the list, whilst those new counterparties who do may be added. Other market information including the financial press will be monitored.

2. Non-specified investments

2.1. These investments tend to be any other type of permitted investment which have durations of more than a year. This also includes equity-type investments. At this point the Authority does not consider these types of investments as appropriate but may do so in the future if surplus funds permit.

2.2. Longer term investments will only be considered with those institutions that have a Fitch credit rating of A (+/-). In addition institutions ethical and environmental

activities will also be taken into consideration to compliment the Authority's strategic objectives, including responding to climate change and sustainability.

- 2.3. The Authority will seek proper advice and will consider that advice when entering into arrangements on derivatives to ensure that it fully understands those products.

3. Liquidity

- 3.1. The Authority will seek to try and spread its investments to avoid over reliance on one institution. Funds held at Barclays are automatically swept each day into its Business Premium. This facility is instant access. Based on its cash flow forecasts the Authority anticipates that its cash balances will range between £5.5m and £8.5m.

Current Holdings as at 28/02/23

Counterparty	Holding/ Investment	Interest rate	Investment date	Maturity date
Barclays Notice Account	2,500,000	Base rate + 0.05%	n/a	95 days' notice
Barclays Notice Account	511,000	Base rate – 0.05%	n/a	32 days' notice
Debt Management Office (DMO)	1,000,000	3.94%	21/02/2023	21/08/2023
Debt Management Office (DMO)	1,000,000	3.82%	21/02/2023	21/03/2023
Barclays Premium Account	1,178,323	1.3%	n/a	Instant access

4. Capital financing (borrowing) principles

- 4.1. The following table shows the current forecast for capital expenditure for the next three years. Commentary is also provided below.

Prudential indicator 2023/24-2025/26

Prudential indicator	2023/24	2024/25	2025/26
Estimate of capital expenditure	£350,000	£710,000	£200,000
Authorised limit for external debt	£500,000	£500,000	£500,000
Operational Boundary	£400,000	£400,000	£400,000

- 4.2. The Capital Financing Requirement (CFR) is reported annually in the Authority's statement of accounts. It measures the amount of capital spending that has not yet

been financed by capital receipts, capital grants or contributions from revenue income. The table below sets out the estimate CFR for the next three years.

Capital Financing Requirement

Movement	2023/24	2024/25	2025/26
Opening CFR 01/04	£127,140	£91,648	£55,734
Capital expenditure	£350,000	£710,000	£200,000
Capital expenditure funded from revenue	(£350,000)	(£710,000)	(£200,000)
Repayment of debt (MRP)	(£35,492)	(£35,914)	(£36,344)
Closing CFR 31/03	£91,648	£55,734	£19,390

- 4.3. Although the Authority's forecast level of debt is set to reduce over the next 3 years it is considered prudent to maintain the existing limits due to the introduction of IFRS 16. This new accounting standard will be adopted from 2024/25 and will impact on leases held by the Authority. The introduction will also increase the Capital Financing Requirement (CFR). Currently only Finance Lease liabilities (where the risk and reward are transferred to the Authority) are held on the balance sheet. Operating leases (where the risk and reward does not transfer to the Authority) are currently not included. The introduction of IFRS 16 removes the distinction between the two and is based on right of use. The most significant Operating Lease for the Authority is Yare House.
- 4.4. The use of reserves to finance capital expenditure will have an impact on level of investments. However budgeted contributions to earmarked reserves should mitigate this as well as the sale of assets. The table below shows estimates of year end balances for each resource.

Estimated year end reserves 2023/24-2025/26

Estimated Year-End reserves	2023/24	2024/25	2025/26
General and Navigation Reserves	£1,388,000	£1,369,000	£1,391,000
Earmarked Reserves	£2,469,000	£2,303,000	£2,551,000
Capital Receipts Reserve	£405,000	£405,000	£243,000
Total Investments 31 March	£4,262,000	£4,077,000	£4,185,000

Affordability

- 4.5. The prudential code indicator for affordability asks the Authority to estimate the ratio of financing costs to net revenue stream. The Authority's current borrowing consists of the Public Works Loan Board (PWLB) loans and Finance leases. The first PWLB Loan was to finance the acquisition of the dredging operation from May Gurney, the financing costs have a zero effect on the bottom line of navigation income and expenditure as the dredging operation (financing costs and ongoing running cost including any additional capital expenditure) are less than or equal to the cost paid to contract out to May Gurney in the past. Finance lease repayments are also charged directly to the revenue budget. Whilst both of these remain less than -0.9% of National Park Grant and Navigation income it is felt that this indicator is not appropriate for use by the Authority in this instance. Any increases to debt will require this indicator to be reviewed.

External debt

- 4.6. Prudential indicators in respect of external debt must be set and revised taking into account their affordability. It is through this means that the objective of ensuring that external debt is kept within sustainable, prudent limits is addressed year on year.
- 4.7. Therefore, the Authority will at this time only borrow long term to finance the capital expenditure incurred on the acquisition of the dredging operation from May Gurney.
- 4.8. Actual debt as at 31 March 2022 was £193,236 which consists of the PWLB loans and finance leases.

Authorised limit

- 4.9. The Authority will set for the forthcoming financial year and the following two financial years an authorised limit for its total external debt, separately identifying borrowing from other long-term liabilities (excluding pension liability and government grants deferred). It should be noted that the Authority does not have any other long-term liabilities at present or plans to have any in the future. This prudential indicator is referred to as the authorised limit and is shown in the table above.

Operational Boundary

- 4.10. The authority will set for the forthcoming financial year and the following two financial years an operational boundary for its total external debt. This Prudential indicator is referred to as the operational boundary and is shown in the table above. The operational boundary is based on the Authority's estimate of most likely, i.e. prudent, but not worst case, scenario.

Liability Benchmark

- 4.11. The revision of the code in 2021 included a liability benchmark. The benchmark compares the debt maturity profile of the Authority with the minimum revenue provision (MRP) and other cashflows which affect our future debt requirement. Whilst other local authorities have high value consisting of mixed debt profiles the Authority's debt is fixed term, relatively low value and repaid in full without the need to refinance. The loan relating to the purchase of the dredging operation will be repaid in full in 2027/28. This combined with the forecast level of investment balances means that the benchmark equals the existing level of debt. Levels of debt can be found in the capital financing requirement table. If the Authority's debt structure changed then the benchmark would be revisited.

Capital expenditure

- 4.12. The Authority will make reasonable estimates of the total of capital expenditure that it plans to incur during the forthcoming financial year and at least the following two financial years. This Prudential indicator will be referred to as estimate of capital expenditure and is included in the table above.

Treasury management

- 4.13. The Prudential Code requires authorities to set upper limits for its exposure to the effects of changes in interest rates. However, as explained above under paragraph 4.5, the current borrowing costs will be not be an additional cost to the Authority. The Authority has borrowed at a fixed interest rate, thus reducing its exposure to changes in interest rates. This Prudential indicator is therefore not considered necessary in this instance.
- 4.14. There remains a small risk to the Authority in using fixed term deposits that interest rates may increase in the short term. This is minimised by the structuring of how investments are placed. By minimising fixed term deposits to a minimum of 1 year and staggering them it will allow the Authority to take advantage of any increase as funds become available for re-investment. Funds in instant access will be able to take advantage of any increase in rates.

Maturity structure of borrowing

- 4.15. The Prudential Code requires authorities to set upper and lower limits with respect to the maturity structure of its borrowing. However, as the Authority only has a single long-term loan this indicator is not considered relevant.

5. Non-treasury investments

- 5.1. Previously the Authority held one non-treasury investment in the form of an Investment Property (Ludham Fieldbase). This was disposed of in August 2018, the

proceeds of which are currently held in the Capital Receipts Reserve. There are currently no plans for additional non-treasury investments.

6. End of year investment and capital financing report

- 6.1. The Authority will provide a report on its investments and capital financing activity at the end of the financial year, as part of its final accounts reporting procedure.

Counter Fraud, Corruption and Bribery Strategy

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Introduction to the Strategy

1. Statement of Intent

1.1. The Broads Authority (The Authority) is committed to carrying out its business in a fair, ethical, honest and transparent manner. As such, the Authority has a zero-tolerance approach to those who seek to commit an act of fraud, corruption, money laundering or bribery towards, or against it.

1.1.1.2. The Authority takes its legal responsibilities very seriously. We will uphold all laws relevant to countering bribery and corruption, including the Bribery Act 2010, in respect of our conduct.

1.2.1.3. To safeguard itself against such activities, the Authority has developed a counter fraud culture, supported by a framework designed to encourage the prevention and detection of fraud, corruption and bribery in the event of allegations being received, and to establish appropriate arrangements for their investigation. All such provisions seek to minimise potential losses to the Authority in the event of it being subject to fraudulent or corrupt practices.

1.3.1.4. The Authority is committed to maintain, and to regularly monitor, review and update, appropriate processes and procedures which will minimise the risk of losses from fraud, corruption, money laundering or bribery, and to ensure that all members and members of staff are aware of their responsibilities to comply with these procedures at all times.

2. Objectives of the Strategy

2.1. The key objectives of this Strategy are to:

- increase staff and member awareness of the corporate counter fraud culture which the Authority actively supports and encourage individuals to promptly report suspicions of fraudulent and corrupt behaviour;
- communicate to partners, suppliers, contractors and other organisations that interact with the Authority that it expects them to maintain high standards aimed at minimising fraud and corruption in their dealings with the Authority;
- further embed and support the management of fraud risk within the Authority;
- demonstrate the arrangements that the Authority has in place to counter fraud, corruption, money laundering and bribery; and
- minimise the likelihood and extent of losses through fraud and corruption.

3. Who does this Strategy apply to?

3.1. This Strategy applies to all persons working for the Authority [or any group company] or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, third-party representatives and business partners, sponsors, or any other person associated with us, wherever located.

3.4. Why is the Strategy Needed?

3.1.4.1. The Broads Authority is reliant on its various funding sources in order to carry out its duties and deliver its key aims and objectives in the Broads Plan. As a public body it has a duty to promote effective stewardship and value for money in the use of its funds, to be accountable to its stakeholders in the use of that money and to ensure that procedures are put in place to minimise the risk of losses through fraud, corruption, money laundering or bribery.

3.2.4.2. As well as resulting in lost income, and reducing the funds available to be spent on key service delivery, instances of fraud, corruption, money laundering and bribery are likely to impact on the reputation of the Authority, and result in a loss of confidence that can be placed in the Authority and its procedures.

3.3.4.3. Historically, the Broads Authority has had relatively low levels of detected fraud activity in relation to its business operations. Where such activity has been identified, prompt action has been taken and sanctions imposed, as appropriate. However, even though fraud may not previously have been prevalent, it is important to remain vigilant, and to maintain, and regularly monitor, review and update, appropriate processes and procedures to ensure that any potential opportunities for fraud and corruption are minimised, in order that resources can be used for their intended purpose.

3.4.4.4. The Bribery Act 2010 places an expectation on organisations that they will have appropriate and adequate procedures in place to minimise the risk of bribery taking place. This Strategy seeks to reduce this risk, and to outline the Authority's anti-bribery approach.

4.5. Definitions of Fraud, Corruption, Money Laundering and Bribery

5.1. Bribery is offering, promising, giving or accepting any financial or other advantage, to induce the recipient or any other person to act improperly in the performance of their functions, or to reward them for acting improperly, or where the recipient would act improperly by accepting the advantage.

a) An advantage includes money, gifts, loans, fees, hospitality, services, discounts, the award of a contract or anything else of value.

b) A person acts improperly where they act illegally, unethically, or contrary to an expectation of good faith or impartiality, or where they abuse a position

of trust. The improper acts may be in relation to any business or professional activities, public functions, acts in the course of employment, or other activities by or on behalf of any organisation of any kind.

It is a criminal offence to offer, promise, give, request, or accept a bribe. Individuals found guilty can be punished by up to ten years' imprisonment and/or a fine and employers that fail to prevent bribery can face an unlimited fine, exclusion from tendering for public contracts, and damage to its reputation.

5.2. **Corruption** is the abuse of entrusted power or position for private gain.

Examples:

- a) Offering a bribe: You offer a potential client tickets to a major sporting event, but only if they agree to do business with the Authority. This would be an offence as you are making the offer to gain a commercial and contractual advantage. We may also be found to have committed an offence because the offer has been made to obtain business for us. It may also be an offence for the potential client to accept your offer.
- b) Receiving a bribe: A supplier gives your nephew a job, but makes it clear that in return they expect you to use your influence in the Authority to ensure we continue to do business with them. It is an offence for a supplier to make such an offer. It would be an offence for you to accept the offer as you would be doing so to gain a personal advantage.

5.3. **Fraud** is defined by three classes; false representation, failure to disclose information or by abuse of position.

- a) Fraud by false representation is where a person dishonestly makes a false representation, and intends, by making the representation to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- b) Fraud by failure to disclose information is where a person dishonestly fails to disclose to another person information which he is under a legal duty to disclose, and intends, by failing to disclose the information to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.
- c) Fraud by abuse of position is where a person occupies a position in which he is expected to safeguard, or not to act against, the financial interests of another person, dishonestly abuses that position, and intends, by means of the abuse of that position to make a gain for himself or another, or to cause loss to another or to expose another to a risk of loss.

~~4.1. The Fraud Act 2006 defines fraud by three classes; false representation, failure to disclose information or by abuse of position. In all three classes of fraud, it requires that for an offence to have occurred, the person must have acted dishonestly, and that they had to have acted with the intent of making a gain for themselves or anyone else, or inflicting a loss (or a risk of loss) on another.~~

Examples of fraud committed against the Authority might include the creation and submission of fake invoices for goods or services never received, false or inflated expense claims, under recording of cash receipts, misappropriation of stock assets or an application for a job falsely claiming to hold certain qualifications. As these examples demonstrate, fraud can occur in a number of ways, need not always be related to loss of money, and can involve staff, members or even people outside of the organisation.

~~4.2. Corruption has a number of definitions but can simply be defined as the abuse of entrusted power for private gain. It is often linked to Bribery.~~

5.4. CIPFA describes Money Laundering is described by CIPFA as disguising criminally sourced cash or property in order to give the appearance of legitimacy. This is done by mixing the criminal transactions with the legitimate transactions of businesses and is often linked to terrorism financing. This normally follows three stages:

- Placement: Funds derived from the crime are paid into a bank account or used to purchase an asset, e.g. property.
- Layering: To disguise the source of the funds they are moved through complex and frequent transactions. Money mules are a form of layering. Money muling occur when an individual receives money into their bank account (wittingly or unwittingly from a criminal) and transfers it elsewhere. The individual is often promised that they can keep a portion of the cash for facilitating the transaction.
- Integration: Once the funds are well disguised the funds are transferred into the financial system, thus making the money appear legitimate.

~~4.3. The Bribery Act 2010: Quick start guide defines bribery as 'giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. The Act includes two general offences covering the offering, promising or giving of an advantage, and the requesting, agreeing to receive or accepting of an advantage.~~

5.6. The Corporate Framework to Counter Fraud, Corruption and Bribery

5.4-6.1. The Authority has in place a number of policies, procedures and practices that are designed to support this Strategy in countering and preventing fraud occurring. These take account of legislation and expected standards in respect of

public life. A summary of the key arrangements in place is set out at Appendix 1, together with a list of the officers responsible for these arrangements.

5.2-6.2. In addition to these there are a number of officers who have direct and overarching responsibilities and roles in respect of countering fraud, corruption and bribery. These roles and responsibilities are set out at Appendix 2.

6.3. The Authority also has in place a Risk Management Policy, ~~and a Strategic Corporate Register and Directorate Risk Register~~. Overall responsibility for risk management lies with the ~~Management Team Solicitor and Monitoring Officer~~ who ~~is~~ are charged with ensuring that the risk of fraud and corruption is appropriately recognised within the risk framework, and managed accordingly. The Risk Management Policy is reviewed and where appropriate updated ~~at least annually~~ every two years, whilst the ~~Strategic Corporate Risk Register~~ is reviewed ~~bi-annually~~ by the Management ~~Forum Team and the~~ before every Financial Scrutiny and Audit ~~Audit and Risk~~ Committee. Nominated risk owners are responsible for individual risks, and these should be reviewed not less frequently than every ~~six~~ four months, or earlier where there is a significant change in circumstances.

6.4. The Authority also has an Audit and Risk Committee, which has oversight of risk management issues at the Authority. The Committee's remit includes the following duties:

- a) To scrutinise the Authority's accounts and finances to ensure that they are prepared in accordance with accounting policies and good practice.
- b) To take a strategic view on whether the resources allocated to the Authority are used effectively and efficiently in pursuit of its authorised purposes and objectives.
- a)c) To obtain assurances from a range of measures and reports that value for money is obtained in the use of these resources, and that risk and performance are actively managed to achieve best results.

The Authority's Anti-fraud, Corruption and Bribery Culture

6.7. The Cultural Framework

6.1-7.1. The Authority is ~~determined~~ committed to promoting ~~and maintaining~~ a culture of honesty, ~~and~~ integrity, ~~and opposition to where~~ fraud, corruption and bribery are strongly opposed by all. The prevention and detection of fraud, corruption and bribery is the responsibility of all members and members of staff.

7.2. To this end, the Authority has adopted a Code of Conduct for its members and a Code of Conduct for Employees which promote the standards of conduct and behaviour

expected when representing the Authority. Both of these documents are available on the Authority intranet [and are discussed in greater detail at Section 8 and 9 below](#).

[7.3.](#) The Authority has a Whistle Blowing Policy, which encourages employees, members and other parties to raise concerns, in the knowledge that they will not suffer victimisation or harassment as a result. [This is also available on the Authority intranet for employees and on the website for members.](#)

[6.2.7.4.](#) The Authority seeks to be as open and transparent as possible in the way it conducts its business and makes decisions. The Terms of Reference of Committees, and Scheme of Powers Delegated to [Chief Executive and other authorised](#) Officers, set out the decision-making framework within the Authority, and demonstrate where functions may be delegated. The Authority publishes details of all expenditure over £250 on its website, and will endeavour to [satisfy](#) all the [recommendations and requirements set down by the](#) Government in the Code of Recommended Practice for Local Authorities on Data Transparency¹.

[7.5.](#) [The Authority also has a suite of other governance documents available on our Constitution page on the website.](#)

[7.8.](#) Members

[7.1.8.1.](#) The Localism Act 2011 places a duty on the Authority to promote and maintain high standards of conduct by its members and co-opted members. Members are required to observe the Authority's Code of Conduct, which is intended to promote and maintain behaviour consistent with the Nolan Principles. They are also required to register and disclose certain interests, including pecuniary interests, both in a Register of Interests and, where appropriate, verbally at the commencement of all meetings.

[7.2.8.2.](#) The Authority has also developed arrangements for dealing with complaints that a member has failed to comply with the Code of Conduct, and has appointed two Independent Members, one of whom will be consulted before any standards complaints are determined.

[7.3.8.3.](#) Details of the Register of Interests, Code of Conduct and arrangements for dealing with standards allegations are all on the Authority's website and available for inspection by members of the public.

[7.4.8.4.](#) The ~~Financial Scrutiny and Audit~~[Audit and Risk](#) Committee is responsible to the Broads Authority for the Counter Fraud, Corruption and Bribery Strategy, including the adequacy and effectiveness of the arrangements for counter-fraud and whistle

¹ [Local government transparency code 2015 - GOV.UK \(www.gov.uk\)](#)

blowing, and maintaining an oversight of the systems for corporate governance and internal control.

8.9. Employees

8.1-9.1. A successful anti-fraud culture is one where acts of fraud and corruption are widely recognised as unacceptable behaviour and where whistle blowing is perceived as a public-spirited action. The Authority has put in place a number of policies, procedures and other actions to promote an anti-fraud culture to the Authority's officers, as detailed in Appendix 1.

8.2-9.2. All officers must abide by the Code of Conduct for Employees, which sets out the standards of behaviour and conduct expected of them. Professionally qualified officers are also expected to follow any Code of Conduct or Ethics as required by their professional institute.

8.3-9.3. The Authority has disciplinary procedures which are designed to ensure consistent and fair treatment of all staff in dealing with any breaches of conduct. Any breach of conduct will be dealt with under these procedures and may result in dismissal.

9.4. The Code of Conduct for Employees includes guidelines for the receipt of gifts and hospitality, and requires senior officers to declare certain personal interests which could be perceived to conflict with their professional impartiality.

9.5. The Authority's Monitoring Officer, Deputy Monitoring Officer and Senior Governance Officer have particular responsibility for oversight of standards and probity. The Head of HR is responsible for maintaining the officers' register of gifts and hospitality and the register of officers' interests.

9.10. Partners, Suppliers, Contractors and Other Organisations that interact with the Authority

9.1-10.1. The Authority expects the highest standards of conduct from all organisations that have dealings with it. Any partners, suppliers, contractors and other third parties funded by or in receipt of payments from the Authority are ~~–~~required to adopt or abide by the Authority's policies, procedures, protocols and codes of practice, where appropriate, in order to prevent and detect fraud, corruption, money laundering and bribery.

10.2. All transactions with suppliers and other organisations will be entered into in line with the Authority's Standing Orders Relating to Contracts Broads Authority Standing Orders Relating to Contracts February 2022 (broads-authority.gov.uk). These make appropriate provisions for declaring interests and the circumstances where such regulations may not apply, and set out rules regarding entering into contracts and

varying contract conditions. In addition, prior to entering into significant, ongoing transactions, due diligence checks are undertaken to ensure that suppliers have an appropriate financial and risk profile before transactions are entered into by the Authority.

11. Members of the Public

9.2.11.1. Members of the public have an important role to alert the Authority to any concerns about the potential for fraud, corruption or bribery that they may become aware of. They are encouraged to report their concerns, either through the Authority's complaint procedure or by contacting the relevant officers in Appendix 2.

Counter Fraud Prevention and Deterrence

10.12. The Internal Control Environment

10.1.12.1. The Authority's internal control environment plays a key role in ensuring that fraud can be prevented. Soundly designed systems, with adequate checks built into them, minimise the opportunities for untoward activities. This can be through automated controls, or through management oversight of transaction activity.

12.2. Managing the risk of fraud, corruption and bribery is the responsibility of Directors and Section Heads within individual Directorates and service areas, working within the overall framework developed by the Authority and the Management Team.

12.3. -Whilst managers retain responsibility for the oversight of the internal control environment within their specific service areas, internal and external inspections play an important role in ensuring that operational arrangements are working effectively.

12.4. -An Annual Audit Plan is developed by the Head of Internal Audit each year, in consultation with the Management Team and is approved by the Audit and Risk Committee. The Audit Plan is based ~~is based~~ founded on a risk-based approach and ~~has~~ swing regard to those areas where there is the greatest potential for fraud, corruption and bribery. ~~It therefore, which~~ provides a check on those services and systems (financial and non-financial) that are subject to the highest level of inherent risk.

10.2.12.5. -Furthermore, in the course of completing audit assignments, recommendations will be put forward aimed at strengthening systems of internal control which are designed to remove potential opportunities for fraud and corruption in the future.

11.13. Recruitment and Induction

11.1.13.1. A key preventative measure against the possibility of fraud, corruption and bribery is to have in place a robust recruitment process which establishes, as far as reasonably possible, the propriety and integrity of potential employees. This includes

extends to temporary and contract staff. Agencies providing temporary staff should be required to confirm that satisfactory references have been obtained and validated.

13.2. All recruitment should be in accordance with the Authority's standard recruitment procedures. Written references should be obtained for all potential employees and any relevant qualifications should be confirmed prior to appointment.

13.3. The Authority commits to promoting an anti-fraud culture through encouraging staff and members, as part of their induction programmes, to familiarise themselves with the relevant Code of Conduct, the Whistle Blowing Policy and this Strategy, to make them aware that the Authority will not tolerate improper behaviour.

12.14. Promotion of the counter fraud culture

12.1.14.1. The Authority undertakes to promote successful outcomes from counter fraud activities, particularly where this may deter others from undertaking dishonest activities.

~~12.2.14.2. In addition the Authority commits to promoting an anti-fraud culture through encouraging staff and members, as part of their induction programmes, to familiarise themselves with the relevant Code of Conduct, the Whistle Blowing Policy and this Strategy, to make them aware that the Authority will not tolerate improper behaviour.~~ The Authority requires staff to annually undertake refresher training through its online training platform.

Detecting and Investigating Fraud, Corruption, Money Laundering and Bribery

13.15. Detecting Fraud that has Occurred

13.1.15.1. The Authority has in place a number of measures designed to detect fraudulent activity. This is mainly through the segregation of duties and dual approval of payments.

13.2.15.2. The Authority therefore expects its senior managers to be vigilant regarding the possibility of fraud, corruption, money laundering or bribery and to report any suspicious activities to the Director of Finance.

13.3.15.3. Despite best efforts, fraudulent or corrupt activity can sometimes be discovered by chance or through a 'tip off' or whistle blowing incident. The Authority has developed appropriate arrangements to enable such matters to be handled through the Whistle Blowing Policy.

~~13.4.~~15.4. The Code of Conduct for Employees also requires employees to report to their immediate line manager, Head of Section or other Senior officer, any suspicions of impropriety, dishonesty or failure to follow legislation or policies and procedures by another employee.

~~13.5.~~15.5. In addition, the work of Internal Audit and the Authority's External Auditors may lead to the detection of fraud.

14.16. Investigation of Fraud that has Occurred

~~14.1.~~16.1. The Head of Internal Audit has overall responsibility for the progression of all fraud investigations, in consultation with the ~~Chief Financial Officer~~Director of Finance. There are provisions in the Internal Audit Services contract to engage Counter Fraud trained auditors from TIAA Ltd, to work under the direction of the Head of Internal Audit, and in consultation with the ~~Chief Financial Officer~~Director of Finance.

~~14.2.~~16.2. Appendix 3 sets out a Fraud, Corruption and Bribery Response Plan, detailing how the Authority will respond when a concern or an event has been raised, which ~~lead~~sing to a suspicion of fraud or corruption and to whom it will be reported to. ~~In all cases~~† The Head of Internal Audit should be consulted regarding all cases of potential ~~cases of~~ fraud and /or corruption, in order to maintain a corporate overview of incidents arising and to ensure that investigations are carried out by the appropriate personnel (e.g. TIAA Auditors, the Head of Internal Audit, the relevant Director, Head of Human Resources, depending on the nature of the case reported).

~~14.3.~~16.3. The ~~Solicitor and Monitoring Officer~~Chief Executive is responsible for monitoring and ensuring the investigation of whistle blowing concerns received. Where such cases involve an instance of fraud and corruption, these will be jointly overseen by the ~~Solicitor and~~ Monitoring Officer and the Head of Internal Audit.

~~14.4.~~16.4. The Head of Internal Audit will notify External Audit promptly of all frauds occurring at the Authority which exceed £5,000, and any cases of corruption and any fraud cases of particular interest or complexity. Any such instances of fraud or suspected fraud will be discussed with external Audit at the annual Audit Planning Meeting.

Sanction and Redress in Respect of Fraud, Corruption, Money Laundering and Bribery

15.17. Taking Action where Required

~~15.1.~~17.1. Where it has been identified that fraud or corruption has occurred, the Authority is committed to ensuring that all appropriate ~~sanctions and~~ courses of redress are undertaken and sanctions are imposed where required.

~~15.2.17.2.~~ Although the Authority's primary means of sanction of employees is through its Disciplinary Procedures, this does not preclude the Authority from taking additional legal action should it consider this to be necessary.

~~15.3.17.3.~~ The Authority will seek to work closely with other parties, in particular the Police, where appropriate. It also has a public duty to seek financial redress, where feasible.

~~16.18.~~ Review

~~16.1.18.1.~~ This Strategy has been approved by the Management Team and by the ~~Financial Scrutiny and Audit~~Audit and Risk Committee. It will be reviewed and if necessary updated on a regular basis, at least ~~annually~~every three years, or more frequently where there are significant changes to legislation within which the Authority operates. ~~and a~~Any significant changes will be brought to the attention of the Management Team for their approval. Responsibility for ensuring that regular reviews are carried out lies with the ~~Chief Financial Officer~~Director of Finance.

Date of issue: March ~~2023~~2018

Next Review: March 2026

Appendix 1 – Supporting Policies, Procedures and Practices

Appendix 2 – Roles and Responsibilities of Officers

Appendix 3 – Fraud, Corruption and Bribery Response Plan

Appendix 1 – Supporting Policies, Procedures and Practices

Policy/Strategy	Purpose	Responsibility
Code of Conduct for Members	Under the provisions of the Localism Act 2011, the Broads Authority is required to adopt a code of conduct setting out the standards of behaviour expected of its members. The Authority has adopted the model code prepared by the Department for <u>Levelling Up, Housing and Communities</u> and Local Government (DLUHC LG). All new members to the Authority receive guidance and training on the implementation of the Code.	Solicitor and Monitoring Officer
Registration and Declaration of Interests	Members of the Authority are required to enter onto a Register of Interests any pecuniary or non-pecuniary interests which might relate to their public duty. <u>Members are</u> and to declare these interests at all meetings of the Authority and its committees <u>where a matter relates to one of their registered interests</u> . The Register of Interests may be viewed by members of the public on request.	Solicitor and Monitoring Officer
Terms of Reference of Committees	These set out the powers reserved to the Broads Authority and to its various committees.	Solicitor and Monitoring Officer
Scheme of <u>Powers Delegated to Chief Executive and other authorised officers</u> Powers	These set out the powers which are delegated to the Chief Executive <u>and other authorised officers</u> , and the conditions under which these powers can be discharged. They are supplemented by Arrangements for the Exercise of Powers by Other Officers, setting out those officers who are authorised to exercise powers in the absence of the Chief Executive.	Solicitor and Monitoring Officer

Policy/Strategy	Purpose	Responsibility
Code of Conduct for Employees	All members of staff are required to comply with the Code of Conduct for Employees, and Planning Officers with the Code of Conduct for Planning Committee Members and Officers. The Code of Conduct includes guidelines for the receipt of gifts and hospitality, and requires senior officers to declare certain personal interests which could be perceived to conflict with their professional impartiality.	Head of Human Resources
Whistle Blowing Policy	The Whistle Blowing Policy sets out how employees <u>and members</u> can raise concerns within the organisation without fear of victimisation or harassment.	Solicitor and Monitoring Officer <u>Director of Finance</u>
Financial Regulations	Financial Regulations set the framework for the administration of the Authority's financial affairs, including all systems and transactions.	Chief Financial Officer <u>Director of Finance</u>
Standing Orders Relating to Contracts	These Standing Orders set out the rules and procedures which must be complied with when letting contracts for goods and services on behalf of the Authority. They endeavour to ensure fair competition between competing organisations.	Chief Financial Officer <u>Director of Finance</u>
Internal Financial Controls	Internal control systems are in place to ensure that the Authority's finances are managed in a safe and efficient manner. These include physical controls to ensure security of assets and restrict access, clear lines of accountability, supervisory controls, segregation of duties and authorisation/approval controls.	Chief Financial Officer <u>Director of Finance</u>
Internal Audit	The Authority is a member of a consortium of local authorities who jointly procure an internal audit service. The service is administered by the Head of	Chief Financial Officer <u>Director of Finance</u>

Policy/Strategy	Purpose	Responsibility
	Internal Audit, who is based at the offices of South Norfolk Council, and is currently contracted out to TIAA. An annual programme of audits is drawn up in conjunction with the Head of Internal Audit using a risk-based approach.	
Recruitment and Selection of Staff	A number of controls are in place relating to the recruitment and selection of staff, including completion of an application form, interviews, references and obtaining a 'defined document' to confirm that the employee is eligible to be employed in this country. Under certain circumstances other checks are made, for example relating to the prospective employee's medical condition and suitability to work with children and vulnerable adults.	Head of Human Resources

Appendix 2 – Roles and Responsibilities of Officers

Stakeholder	Roles and Responsibilities
Broads Authority	The Authority is ultimately responsible for the Authority's Counter Fraud, Corruption, Money Laundering and Bribery Strategy and other arrangements.
Individual Members	Members support and help to promote a strong counter fraud culture through: <ul style="list-style-type: none"> • promoting the Authority's lack of tolerance towards acts of fraud and corruption;

Stakeholder	Roles and Responsibilities
	<ul style="list-style-type: none"> ensuring that they comply with the Authority's Code of Conduct for Members, thus setting a strong public example; and raising matters of concern that they may have through the appropriate means.
Financial Scrutiny and Audit <u>Audit and Risk Committee</u>	Responsible to the Authority for the Counter Fraud, Corruption and Bribery Strategy, including the adequacy and effectiveness of the counter fraud and whistle blowing arrangements.
Chief Executive - <u>John Packman</u> <u>01603 756019</u> <u>John.packman@broads-authority.gov.uk</u>	The Chief Executive is ultimately responsible for the day to day arrangements to counter fraud, corruption and bribery.
Solicitor and Monitoring Officer – <u>Jonathan Goolden</u> <u>Monitoring.officer@broads-authority.gov.uk</u>	Responsible for the Authority's arrangements to manage risk, including the Risk Management Policy and Strategic Risk Register. The Monitoring Officer also provides support to members as required on matters of ethical and governance issues, and may receive concerns raised from members, the public and other stakeholders
<u>Management Team</u>	<u>Responsible for the Authority's arrangements to manage risk, including the Risk Management Policy and Strategic Risk Register.</u>

Stakeholder	Roles and Responsibilities
<p>Chief Financial Officer<u>Director of Finance</u>/ Section 17 Officer</p>	<p>The Section 17 Officer is responsible for ensuring that the Authority has in place arrangements for the proper administration of its financial affairs.</p>
<p>External Audit - <u>Ernst & Young LLP</u> <u>One Cambridge Business Park,</u> <u>Cowley Road, Cambridge CB4 0WZ, 01223 394400</u></p>	<p>The external auditors have a statutory duty to ensure that the Authority has in place adequate arrangements for the prevention and detection of fraud, corruption and theft.</p>
<p>Internal Audit</p>	<p>Internal auditors will be alert in all their work to risks and exposures that could allow fraud or corruption to occur. The auditors also and seek to strengthen systems of internal control to safeguard the Authority against such activities and <u>to</u> minimise losses arising from such actions.</p>
<p>Head of Internal Audit – <u>Faye Haywood</u> <u>01508 533873</u> <u>Faye.Haywood@southnorfolkandbroadland.gov.uk</u></p>	<p>The Head of Internal Audit is responsible for managing the Internal Audit service, including developing an Annual Audit Plan which includes counter fraud and corruption work. There is also a requirement to assist with special investigations (where cases of fraud and/or corruption are suspected) and provide reports to management, the Financial Scrutiny and Audit<u>Audit and Risk</u> Committee and External Audit regarding work carried out in this area.</p>
<p>Directors and Heads of Service</p>	<p>These officers are responsible for the management and prevention of theft, fraud, corruption and other irregularities within their area of responsibility. Each officer is expected to:</p>

Stakeholder	Roles and Responsibilities
	<ul style="list-style-type: none"> • identify, be familiar with and assess the types and risks of fraud or corruption that might occur within their area of responsibility; • promote and monitor sound working practices which minimise the likelihood of fraud and corruption occurring; • promote the Strategy where appropriate with any external organisations they may do business with; • be alert for any indication of fraud or corruption; and • be ready to take appropriate action in a timely way, should there be any suspicion of theft, fraud or corruption.
Members of Staff	<p>Staff should undertake their duties at all times in line with the Authority’s Code of Conduct for Employees. <u>Staff must also comply with all policies under their contracts of employment.</u> They have a responsibility to raise any concerns, should they become aware of any potential fraud, corruption or other wrongdoing, with an appropriate officer (who could be their line manager, Head of Section or Director, the Monitoring Officer, the Head of Internal Audit or any other senior officer).</p>
Partners, Contractors, Suppliers and other organisations that interact with the Authority	<p>These organisations should be aware of the need to uphold anti-fraud principles and be aware of the possibility of malpractice against the Authority, reporting any genuine concerns or suspicions promptly.</p>

Stakeholder	Roles and Responsibilities
Members of the Public	To notify the Authority of any genuine concerns or suspicions involving fraudulent or corrupt activities being committed against the Authority.

Appendix 3 – Fraud, Corruption and Bribery Response Plan

1. Introduction

- 1.1. The purpose of this Response Plan is to set out the action to be taken when a fraud is suspected or discovered. This Plan forms part of the Authority's overall approach to countering fraud, corruption and bribery.
- 1.2. Adhering to the Plan will enable the Authority to ensure that all incidents of fraud and corruption are handled in a consistent and responsible manner and that the relevant responsibilities when responding to an incident are clear.

2. Reporting Concerns of Fraud, Corruption and Bribery

- 2.1. Anyone who has a concern that a potential incident of fraud, corruption, money laundering or bribery has arisen should always seek to raise these concerns at the earliest opportunity with a Senior Officer. The Authority acknowledges that this can be a difficult and challenging action to take in some cases, and the Whistle Blowing Policy has been established to provide those raising concerns with a safe avenue with which to do so without fear of victimisation or bullying. It also offers sources of advice and guidance that they may turn to.
- 2.2. The Whistle Blowing Policy makes clear that the Authority will always respect the confidentiality of those who raise a concern. Wherever possible, it encourages the whistle blower not to remain anonymous, to ensure that ~~concerns can be set out in writing to ensure~~ that the facts of the situation ~~are~~ can be clarified in writing if the need arises.
- 2.3. Wherever the concern raised or identified relates to a matter of fraud, corruption, money laundering or bribery, the Director of Finance and/or the Head of Internal Audit should be notified in order that they can ensure appropriate investigatory measures are undertaken. Wherever possible, and whilst respecting confidentiality, the ~~Head of Internal Audit~~ investigating officer will work with other officers to ensure that appropriate members of staff and others are kept informed of developments. In particular it may be necessary to notify the ~~Section 17 Officer~~ Director of Finance and Management Team. The Director of Finance, Head of Internal Audit and ~~Solicitor and~~ Monitoring Officer should liaise to ensure that cases raised in respect of whistle blowing are appropriately addressed, and to ensure that the Head of Internal Audit is aware of all issues that may impact upon delivery of the Annual Audit Plan.

3. Reacting to Reports of Fraud, Corruption and Bribery

- 3.1. All reported cases will be handled in a fair and consistent manner. The Authority will remain mindful of the legislative framework governing the investigation of concerns, and in particular the :
 - Freedom of Information Act 2000;

- Data Protection Act ~~1998 (to be replaced by General Data Protection Regulations (GDPR) from May 2018)~~;
- Human Rights Act 1998;
- Fraud Act 2006;
- Terrorism Act 2000;
- UK Bribery Act 2010;
- Proceeds of Crime Act 2002 as amended by the Serious Crime Act 2015;
- The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017; and
- Police and Criminal Evidence Act 1984.

3.2. As the Whistle Blowing Policy identifies, if an individual raises a malicious allegation they know to be untrue, then the Authority will not investigate the case further. The Authority will also endeavour to be sensitive to the alleged wrongdoers, to ensure minimisation of damage if, subsequently, the allegations are found to be incorrect or cannot be substantiated.

4. Conducting Investigations

- 4.1. The Head of Internal Audit is responsible for overseeing the progress of fraud, corruption and bribery investigations to ensure they are undertaken in a consistent and appropriate manner, in accordance with legislative requirements and agreed procedures. If the concern directly affects the Head of Internal Audit, this role will be adopted by the ~~Solicitor and~~ Monitoring Officer.
- 4.2. The Head of Internal Audit will also remain responsible for liaising with the Chief Executive and other senior managers as appropriate regarding the incident raised and the progression of the investigation. In such cases the liaison officer will be the ~~Chief Financial Officer~~ Director of Finance, unless this officer is the subject of or is otherwise linked to the investigation, in which case the Chief Executive will nominate an alternative liaison officer. Should disputes arise during the course of an investigation, these will be referred to the appropriate liaison officer (and, if necessary, the Chief Executive) to assist resolution.
- 4.3. In the event that the Chief Executive is the subject of or otherwise linked to the allegation, the Head of Internal Audit will liaise with the Chair of the Authority.
- 4.4. A number of options will usually be considered when determining who will be responsible for undertaking investigative work, but for the most part the Head of Internal Audit, in conjunction with the ~~Chief Financial Officer~~ Director of Finance will agree the method and terms of reference for the investigation. Although it is

acknowledged that flexibility will be required depending on the nature of the case, it is expected that the following will need to be considered:

- who will conduct the investigation;
- the arrangements for collecting and documenting evidence;
- the estimated time span for the investigation;
- the need for direct referral to/liaison with other authorities (e.g. the Police);
- the mechanism for reporting progress and the final outcomes; and
- liaison with the Head of Human Resources regarding the need for potential suspension / transfer /disciplinary action relating to the alleged wrongdoers.

4.5. Where it is deemed necessary to refer cases to the Police, careful consideration will be given as to whether to proceed with an internal investigation. However it is expected that all staff, members and third parties will comply with both internal and Police investigations as appropriate, and wherever possible Authority and Police enquiries will be co-ordinated to maximise their effectiveness.

4.6. Upon completion of any investigation, a report will be produced highlighting the main findings. The report will be reviewed by the Head of Internal Audit, who will be responsible for identifying any further action which may be needed in consultation with other appropriate officers (e.g. the Head of Human Resources if disciplinary action may be required). Where it has been found that fraud, corruption or bribery has occurred, a summary of the findings will be presented to the Management Team, and in due course a summary report will be prepared for the ~~Financial Scrutiny and Audit~~Audit and Risk Committee, setting out what mitigating actions will be taken to avoid or minimise the possibility of a recurrence of the incident. Where fraud, corruption or bribery could not be proven, the findings will only be shared with those who have a genuine and legitimate need to know.

4.7. The Head of Internal Audit will keep the person raising the concern informed of the progress of the investigation, ~~but will not necessarily be able to share either the report or the conclusions of the investigation with that person or persons.~~ Where this relates to a whistle blowing case, the Head of Internal Audit will continue to work with the ~~Solicitor and~~ Monitoring Officer in this regard.

4.8. It is the responsibility of management to ensure that any losses arising from an investigation are recovered, provided that there are reasonable grounds for doing so. There are various methods of recovery the Authority can utilise, for example directly from the perpetrator, through the Authority's insurers, or through legal proceedings. The appropriate method of recovery will be considered on a case-by-case basis by the

Management Team, where appropriate on the advice of the Head of Internal Audit and/or ~~Solicitor and~~ Monitoring Officer.

5. General Processes

5.1. This Fraud, Corruption and Bribery Response Plan will be displayed on the Authority's Intranet, in order that it is available to all members of staff. It is acknowledged that circumstances will differ from case to case, and the Authority reserves the right, where it is in the best interests to do so, to carry out investigations in ways which are not entirely in accordance with this Plan. ~~However n~~Notwithstanding ~~that~~, the Authority will seek to ensure that, where possible, all investigations are carried out in a consistent manner.

5.2. The Head of Internal Audit will remain responsible for ensuring that records in respect of fraud cases are appropriately maintained, ~~and, in line with guidance issued by The National Archive, r~~Records relating to proven frauds will be maintained for at least six years.

Advertising and Sponsorship Policy

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1. Introduction

- 1.1. The Broads Authority recognises the significant potential for income generation through advertising and sponsorship, and will seek opportunities to maximise revenue from these sources where this does not conflict with strategic priorities and National Parks Partnerships LLP activities. This Policy sets out the parameters for advertising and sponsorship, and outlines the considerations the Authority will take into account when offering or assessing advertising and sponsorship opportunities.
- 1.2. The starting point for all advertising is that it conforms within the rules and guidelines laid out by the Advertising Standards Agency (ASA) and complies with the UK Code of Advertising and Direct & Promotional Marketing¹. The Code of Recommended Practice on Local Authority Publicity² contains additional guidance including restrictions on advertising in the run up to elections.
- 1.3. Advertising and sponsorship should be seen as two distinct areas of activity, although they are linked in terms of many of the skills, considerations and approaches required to maximise income for the Authority. Therefore except where explicitly stated, they can be considered to be interchangeable throughout this policy.
- 1.4. The Authority currently carries advertising within many of its general publications, and has [previously](#) accepted sponsorship of events such as the Broads Outdoor Festival. This Policy formalises the Authority's general approach to advertising and sponsorship issues, but is not intended to supersede any specific established arrangements which may already be in place.

2. Purpose

- 2.1. The purpose of this Policy is to:
 - establish the parameters of the Authority's advertising and sponsorship activities;
 - define a general framework for decisions about advertising and sponsorship opportunities;
 - explain how the Authority's advertising and sponsorship initiatives are coordinated with activity undertaken by National Parks UK, [National Parks Partnerships and other organisations](#); and

¹ <https://www.asa.org.uk/codes-and-rulings/advertising-codes.html>

² <https://www.gov.uk/government/publications/recommended-code-of-practice-for-local-authority-publicity>

- set out how the Authority’s activities comply with legislative and regulatory requirements.

3. Definitions

- 3.1. Advertising encompasses two elements, firstly how the Authority promotes and markets its own services and brand (and indeed the wider [Broads](#) National Park brand), and secondly the sale of advertising space by the Authority to third parties in order to raise revenue.
- 3.2. Sponsorship in contrast can be defined as the payment of a fee or payment in kind by a company in return for the rights to a public association with a Broads Authority activity, item, person or property for mutual commercial benefit.
- 3.3. Sponsorship generally represents a deeper relationship than the advertiser relationship, where the Authority may simply be acting as a platform for an advertiser. As such, a higher level of scrutiny should be applied to a sponsorship agreement due to the greater potential impact on the Authority’s own brand identity and reputation.

4. Responsibilities

- 4.1. Decisions about large scale³, or potentially controversial sponsorship will be referred to the Full Authority, for example in the case of potentially controversial partners, or where a significant or sensitive asset is identified for sponsorship.
- 4.2. Decisions about the acceptance of significant⁴ advertising and uncontroversial sponsorship opportunities will be taken by the Management Team, taking account of the criteria set out in this Policy. Care needs to be taken about the cumulative value and impact of individual sponsorship arrangements.
- 4.3. Day to day decisions about advertising will be taken by officers (generally within the Communications Team). The sale of advertising space in publications [and other material and/or on websites](#) may be outsourced to third parties, although ultimate editorial control will always be retained by the Authority.

³ For the purposes of this policy, “large scale” sponsorship is considered to include any sponsorship arrangement worth more than £100,000 annually.

⁴ For the purposes of this policy, “significant” sponsorship is considered to include any sponsorship arrangement worth more than £5,000 annually.

5. Key principles

5.1. The Authority will apply the following principles when making decisions about entering into advertising or sponsorship agreements:

- Advertising and sponsorship support should only be considered where it is expected to deliver a significant net benefit with no detriment to the Authority or wider public interest.
- Advertising and sponsorship opportunities should be offered or sought in an open and transparent manner. In particular, a chosen advertiser or sponsor's competitors should not be given grounds to complain that they were not given a fair chance to identify an opportunity or compete for one identified by the Authority. Consideration should also be given to whether the arrangement would give rise to a contract for supplies, works or services where the Authority's Standing Orders for Contracts would apply.
- The Authority will publicise any major sponsorship / advertising opportunities (net of VAT) that it identifies on its website [and contract finder](#), and bids received will be assessed to establish the proposal which offers the Authority the best value for money. However this is a developing area of activity and it is recognised that to start with, opportunities may arise on an ad-hoc basis. To avoid creating an overly bureaucratic system demanding significant resource input, requests will be considered on their own merits in line with the general principles set out in this Policy.
- The Authority will seek to demonstrably act with impartiality, honesty and integrity when entering into a sponsorship agreement.
- The Authority will seek to ensure that sponsors do not receive returns that are greater than is appropriate and that any sponsorship agreement is able to withstand public scrutiny. Some of the considerations which could be applied in identifying whether a sponsor is deriving "inappropriate" returns are set out in section six below.
- Advertising and sponsorship should not be accepted where it will dilute the Authority's brand, campaign or message or be visually detrimental to the natural or built environment.
- The Authority will not, and must not appear to, endorse the advertiser / sponsor, or their products, beyond the natural level of partnership implied by a sponsorship arrangement.

- 5.2. Any advertising or sponsorship agreement must be in writing, clearly setting out the expectations of both parties. Where a financial consideration is involved, it will be appropriate for the sponsorship agreement to be prepared as a contract.

6. Specific issues when considering sponsorship

- 6.1. Sponsorship represents a deeper relationship between the Authority and the sponsor than the simple carrying of ~~third-party~~third-party advertising. Therefore the level of sponsor involvement in the Authority's activities needs to be treated with a degree of caution. The role sponsors can play in the public sector is to assist in "extending" an organisation's message. Sponsors should not receive ownership rights and their support must always be seen as secondary to the aims of the Authority. Furthermore, sponsors should operate within clearly defined parameters, and behave with propriety at all times.
- 6.2. The recommended parameters for sponsor involvement in the public sector are that:
- sponsorship should be seen as adding significant benefit to an existing Authority service, message or campaign;
 - sponsors should not be permitted to use a communications campaign or Authority event as a direct sales channel for any products or services; and
 - key activities should not be dependent on sponsorship support for their funding (in other words sponsorship may add to, but should not replace, core funding for statutory functions).
- 6.3. The Authority will therefore only accept sponsorship of specific assets, publications, activities or events, and will not accept sponsorship which might place (or appear to place) any individual Members or Officers under an obligation to the sponsor. There must be no suggestion whatsoever that sponsors receive privileged access, or have any influence over the Authority's strategies and policies. Particular care needs to be taken when considering large amounts of individual sponsorship, or in the case of repeated sponsorship.
- 6.4. The Authority will not seek or accept sponsorship from organisations that are involved in significant commercial negotiations with it (whether or not these are linked to the event or activity to be sponsored). However, advertising from such organisations may be considered. Care needs to be exercised when accepting sponsorship from organisations which may be affected by the Authority's role in setting tolls or enforcing legislation to be clear that no influence on these processes is obtained through, or as a result of, the sponsorship arrangement.

7. Criteria for identifying suitable advertisers and sponsors

- 7.1. It is not possible to define strict criteria to categorise potential advertisers and sponsors, however the following general principles should be applied to identify partners which would have a positive, negative or neutral impact on the Authority's reputation. In all cases an individual assessment should be undertaken to take account of any specific circumstances surrounding a particular partner organisation.

General criteria for considering suitability

- Is there any potential for conflicts of interest, or any other perception of inappropriateness?
 - Is there a risk of adverse publicity arising from the relationship?
 - Is the partner financially viable?
 - Does the partner demonstrate appropriate business practices, policies and customer and media profiles?
 - Do the partner's messages demonstrate synergy with those of the Authority? Is there any risk of dilution of the Authority's key messages?
 - Is there any existing commercial relationship or negotiation between the Authority and the partner?
- 7.2. The list below provides an indication of the types of organisations which might be generally expected to fall within each category. This should not be seen as definitive.

Positive Partners

- Government / other Public Sector bodies;
- UK tourism and leisure promoters;
- Brands associated with "green" and environmentally friendly activities;
- Sustainable travel brands;
- Leisure and outdoor equipment brands, including boating;
- Promoters of cultural activities, festivals and similar;
- Local media; and
- Charities (although care needs to be taken in respect of lobbying / pressure groups and political activism).

Neutral Partners

- Science and Technology industry;
- Food and Agriculture industry (although local producers and healthy lifestyle, “green”, organic, and environmentally friendly brands are likely to be positive partners);
- National media; and
- General advertisers (cars, travel, retailers, supermarkets, utilities, insurance).

Negative Partners

- Political parties and campaigning, lobbying or pressure groups;
- Organisations with a reputation for environmentally damaging practices;
- Organisations with a reputation for poor corporate responsibility or unethical practices;
- Tobacco / alcohol;
- Payday loan providers / irresponsible lenders;
- “Adult” entertainment; and
- Gambling

8. National initiatives

- 8.1. National Parks are working collectively to develop a more commercial approach to income generation and sponsorship. National Parks Partnerships LLP (NPP) is a limited liability partnership set up by the UK’s 15 National Parks in order to create successful partnerships between the UK Parks and businesses. It has developed a Sponsorship Policy which sets out guidelines for sponsorship at national level and the process by which sponsorship offers will be assessed. ~~Recent s~~Success to date includes Columbia Sportswear, Sykes Holiday Cottages, ~~and~~ Forest Holidays, Estee Lauder (Revere), Palladium, BMW, Harper Collins and EPAM Systems.
- 8.2. NPP will be seeking further sponsorship and partners at national level to provide funding and other in-kind support across the National Park family. Care therefore needs to be taken to ensure that any local agreements do not negatively impact on existing or potential national negotiations. In particular, an assessment of any local sponsorship offer should be undertaken to determine whether the proposed sponsorship relates to an asset or event which could be better “marketed” at the national level, and if so, whether the current sponsorship proposal has the potential to be escalated to NPP. Advice and support in this area can be sought from the NPP.

9. State Aid Subsidy Control considerations in the provision of sponsorship by the Authority

- 9.1. Where the Authority is to be the provider of funding or sponsorship to a ~~third party~~third-party organisation, the issue of State Aid Subsidy Control must first be considered. State Aid Subsidy Control may arise where the Authority gives money to a commercial organisation and relates to state resources being used to provide assistance which gives organisations an advantage over others. Within the scope of the Authority's activities, this has the potential to occur in the provision of grant and other project funding, and also if the Authority were to establish any schemes to provide financial support or assistance or which were intended to stimulate growth in a target sector or region.
- 9.2. The initial considerations when determining whether funding represents State Aid Subsidy Control have been defined by the Department for Business, Innovation and Skills⁵ as follows:
1. Is the financial assistance ~~granted by the state or given, directly or indirectly, from public through state~~ resources by a public authority?
 2. Does the financial assistance ~~give confer~~ an economic advantage to one or more ~~undertakings over others~~enterprises?
 3. ~~Is the financial~~ ~~Does the~~ assistance specific? That is, has the economic advantage been provided to one (or more than one) enterprise, but not to others? distort, or have the potential to distort competition?
 4. ~~Does the assistance affect trade between EU Member States~~ Will the financial assistance have, or is it capable of having, an effect on competition or investment within the UK, or trade or investment between the UK and another country or territory??
- 9.3. In the event that sponsorship or funding is considered likely to be State Aid Subsidy Control, guidance should be sought from the Finance Team. The fact that a project constitutes State Aid Subsidy Control does not necessarily mean that it cannot be undertaken, but does mean that care needs to be taken to ensure that activities comply with State Aid Subsidy Control rules, and remain legal.

10. Dealing with complaints

- 10.1. In the event of any complaints regarding advertising or sponsorship, the Authority will adopt the following approach:

⁵State Aid: The Basics, UK subsidy control Department for Business, Innovation and Skills, 2022~~15~~.

- Complaints will be reported to Members as part of existing complaints monitoring processes, with any urgent or significant issues being reported on an ~~exceptions~~exception's basis.
- The Authority will be clear about the general rationale for accepting advertising and sponsorship, and in particular the need for the Authority to adopt a more commercial approach to income generation.
- Any concerns raised about a specific advert, advertiser or sponsor will be considered by the Authority's Management Team. If following review the advertising / sponsorship is considered appropriate, it will be continued with an explanation provided to the complainant. If the advertising / sponsorship is deemed to be harming, or potentially harming, the Authority's brand or reputation, then the advertising / sponsorship should be ended immediately (or as soon as reasonably practicable in the case of a sponsorship arrangement), with communications issued to explain the decision if necessary.

11. Review

11.1. This Policy will be reviewed every three years, or more frequently where there are significant changes in the environment within which the Authority operates.

Responsibility for ensuring that regular reviews are carried out lies with the ~~Chief Financial Officer~~Director of Finance.

~~February 2019~~March 2023