



Teignmouth Town Council Document 3

Financial Regulations, Investment Strategy and Procurement Policy.

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Teignmouth Town Council

Financial Regulations, Investment Strategy and Procurement Policy

1 Terms:

Reference to the F&GP shall mean the Finance & General Purposes Committee

Reference to the RFO shall mean the Responsible Finance Officer (the 'Town Clerk' or the 'Clerk' is also the RFO).

RFO shall have power to act in relation to any authorisation contained in these regulations.

2 General

2.1 These Financial Regulations shall govern the conduct of the financial management by the Council and may only be amended or varied by resolution of the Council. The Council is responsible in law for ensuring that its financial management is adequate and effective and that the Council has a sound system of financial control, including arrangements for the management of risk and for the prevention and detection of fraud and corruption.

2.2 These Financial Regulations must be read in conjunction with the Standing Orders of the Council.

2.3 The Town Clerk under the policy direction of Full Council and F&GP Committee and shall be responsible for the proper administration of the Council's financial affairs, in accordance with proper practices as set out by Governance and Accountability (jointly published by NALC and SLCC).

2.4 The Town Clerk shall be responsible for the production of financial management information.

2.5 The Town Clerk has responsibility for expenditure under all budget heads. Other members of staff will be asked to assist the Clerk in meeting this responsibility as appropriate. This may include staff being given specific delegated responsibility for monitoring and controlling budgets

2.6 At least once a year in consultation with the Council's appointed internal auditor the Council shall conduct a review of the effectiveness of its system of internal control which shall be in accordance with proper practices.

3 Annual Budget/Precept Setting

3.1 Each committee or working group for example; Events, CCTV, Car Parking, shall formulate their budget needs for submission to the Town Clerk in respect of revenue services and capital projects for inclusion in the estimates in time to allow the setting of the Precept in accordance with the requirements of the 'Precepting Authority'.

- 3.2 Detailed estimates of the following year's income and expenditure shall be prepared each year by the Town Clerk to comply with current legislation. In addition, sufficient details of the forecast income and expenditure for the following two years to allow the Council to identify any significant changes shall also be prepared.
- 3.3 F&GP Committee shall commence the budget review annually in September allowing time for Councillors to meet, consider and resolve to set the Precept for the following year. The Town Clerk shall make available a copy of the approved budget to each Member.
- 3.4 The annual capital and revenue budgets shall form the basis of financial control for the ensuing year.

4 Budgetary Control

- 4.1 Expenditure on the revenue items may be incurred up to the amounts included in each approved budget. Large un-spent available amounts may be moved to other budget headings or to an earmarked reserve as appropriate by resolution of the F&GP Committee.
- 4.2 No expenditure may be incurred which cannot be met from the amount provided in the appropriate committee revenue budget unless a virement has been approved by the F&GP Committee or Full Council (*the Accounts & Audit Regulations define virement as the transfer of resources from one budget head to finance additional spending on another budget head*).
- 4.3 The Town Clerk shall provide the F&GP Committee with a statement of income and expenditure to date under each head of the approved annual revenue and capital budgets. These figures will be compared to budgeted income and expenditure profiles. The report will also include a report on the latest position regarding the reserves and funds of the Council. These statements are to be prepared at the end of each financial quarter at least.
- 4.4 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving expenditure unless the F&GP Committee is satisfied that it is contained within approved Council Priorities and Objectives or that the necessary funds are available within the budget.
- 4.5 All capital works shall be administered in accordance with Financial Regulation No. 12.

5 Statutory Accounts

- 5.1 The Town Clerk shall be responsible for completing the annual accounts of the Council as soon as practicable after the end of the financial year, and in any case in accordance with the timescale as laid down by the Accounts and Audit Regulations, and shall submit them to and report to F&GP Committee.
- 5.2 The Town Clerk shall make arrangements for the opportunity for inspection of the accounts, books and vouchers and for the display or publication of any

Notices and statements of account required by Audit Commission Act 1998 and the Accounts and Audit Regulations.

- 5.3 The Town Clerk shall ensure that there are adequate and effective systems of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the Town Clerk or Internal Auditor requires, make available such documents as necessary for the purpose of the internal audit and shall supply such information and explanation.
- 5.4 The Internal Auditor shall be appointed by and shall carry out the work required by the Council in accordance with proper practices. The internal audit shall be competent and independent of the operations of the Council, and shall report to Council in writing one report in respect of each financial year. In order to demonstrate objectivity and independence, the Internal Auditors shall be free from any conflicts of interest and have no involvement in the financial decision making, management or control of the Council.
- 5.5 The Town Clerk shall, as soon as possible, bring to the attention of all Councillors any correspondence or report from the Internal or External Auditor, unless it is of a purely administrative matter.

6 Internal Control

- 6.1 All accounting procedures and financial records of the Council shall be determined by the Town Clerk in accordance with the Accounts and Audit Regulations and proper practice.
- 6.2 The following principles shall be observed, where practicable, in connection with accounting duties.
 - a) The duty of providing information, calculating, checking and recording sums due to, or from, the Council, should be separated as completely as possible from the duty of collecting or dispersing them
 - b) Officers charged with the duty of examining and checking the accounts of cash transactions should not be engaged in any of those transactions if practicable.

7 Payment of Accounts

- 7.1 Apart from petty cash payments, all payments shall be effected by cheque, Bank Automatic Clearing System (BACS), standing order, or direct debit, drawn on the Council's bankers.
- 7.2 All invoices for payment shall be examined and verified by the Finance and Administration officer.

Before verifying an invoice, the Finance and Administration officer shall satisfy themselves that the work, goods or services to which the invoice relates, have been received, carried out, examined, approved and that they have checked that the invoice is arithmetical accuracy and shall enter and

code the invoice to the appropriate expenditure head. The Clerk will verify the invoice and sign off invoices once entered.

- 7.3 Accounts for payment and pre-payments will be presented to Councillors for scrutiny and questioning at each Finance and General Purposes Committee meetings and it is the duty of Councillors to sign confirming acceptance of the accounts for payment and pre-payments as presented.
- 7.3 All possible steps to settle all invoices submitted, and which are in order, within 30 days of their receipt or as agreed with the supplier in accordance with the Late Payment of Commercial Debts (Interest) Act 1998. In order that a Schedule of Monthly Accounts can be drawn up, this will normally be within the calendar month following the month of invoice.
- 7.4 The Town Clerk may provide petty cash to officers for the purpose of defraying operational and other expenses. Officers on leaving employment must repay any petty cash held. Vouchers for payments made shall be forwarded to the Town Clerk with a claim for reimbursement:
- a) The Town Clerk shall maintain a petty cash float of £100 for the purpose of defraying operational and other expenses. This limit will be reviewed annually by the Council as part of these regulations. Vouchers for payments made from petty cash shall be kept to substantiate the payment
 - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
- 7.5 If thought appropriate by the Council, payment for supplies may be made by variable Direct Debit provided that the instructions are signed by two members and any payments are reported to Council as made. An annual report, at the beginning of the financial year, shall be made to F&GP listing such payments.
- 7.5 Where a schedule of BACS payments is drawn up the schedule will be authorised to be actioned by the bank by two Councillors so authorised by the Council in accordance with the cheque signing authorisation.
- 7.6 The Town Clerk may, in consultation with the Mayor and Deputy Mayor (in their absence of either the Chairman/Vice-Chairman of the F&GP Committee incur expenditure on behalf of the Council which does not exceed the amount provided in the revenue budget of that class of expenditure, subject to a limit of **£2,500**. The Town Clerk shall report all such action to the Council or appropriate committee as soon as practicable thereafter.
- 7.7 The Clerk may, in consultation with the Mayor and Chair of the F&GP Committee (or the Deputy Mayor or Vice-Chairman in their absence), incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency e.g. affecting Health and Safety or primary function of the Council that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of **£10,000**. The Clerk shall report the action to the Council as soon as practicable thereafter
- 7.8 Expenditure by an authorised officer by debit or credit card shall be permitted in accordance with the appropriate requirements of these Regulations whether or not the payments are made on-line or not.

8 Banking Arrangements and Cheques

- 8.1 The Council's banking arrangements, including the bank mandate shall be made by the Town Clerk and approved by Council. They shall be regularly reviewed for efficiency.
- 8.2 Cheques and direct debit payments drawn on the appropriate Council bank account referred to in the previous paragraph shall be signed in accordance with these Financial Regulations. In addition, a monthly schedule of all payments made shall be signed by no less than two Councillors.
- 8.3 Transfer of money between bank accounts within the same bank, to maximise interest, can only be authorised by the Town Clerk.
- 8.4 Banking is undertaken no less than once weekly.

9 Faster Payment Procedure - electronic

- a. The invoice is checked for accuracy
- b. The Clerk or Finance and Administration Officer logs into the online bank account
- c. The Clerk or Finance and Administration Officer enters the details for payment
- d. Authorised signatories receive a text message/e-mail asking for release of payment. Authorised signatories confirm electronically that the payment details are entered correctly and correspond to the invoice. Confirmation electronically releases the payment.
- e. If further payments are to be made the same process is repeated.
- f. The Clerk then logs out of the online bank account and closes the internet 'tab'.
- g. These payments will be added to the list of payments and invoices to be presented to the F&GP Committee as pre-payments.

10 Payment of Salaries and Wages

- 10.1 As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance Legislation. Arrangements for the payment of all salaries and wages shall be made by the Town Clerk in accordance with the payroll records and in accordance with each employee's contract of employment.
- 10.2 All time sheets shall be certified as to accuracy by or on behalf of the Town Clerk using the approved documentation. Changes to the Town Clerk's pay and conditions to be authorised by the Council and communicated to,

in writing to the the Council's payroll provider by the Chairman of the Council (Vice-Chairman in the absence of the Chairman).

11 Loans and Investments

- 11.1 The Council has an Investment Strategy in line with current best practice, and all investments will be in line with the Treasury Guidance (Appendix A - page 14). All loans and investments shall be negotiated by the Town Clerk in consultation with the Mayor and Chairman of Finance and General Purposes Committee (in their absence the Deputy Mayor and Vice-Chair of Finance and General Purposes Committee) in the name of the Council, and shall be for a set period of time in accordance with Council policy. This Strategy shall be reviewed at least annually. Changes to loans and investments should be reported to F&GP Committee at the earliest opportunity.
- 11.2 All investments of money under the control of the Council shall be in the name of the Council.
- 11.3 All borrowings and operations leases shall be effected in the name of the Council. All such agreements shall be approved by the Council and authorised by and documents signed on the Council's behalf by the Town Clerk as Proper Officer.
- 11.4 All investment certificates if any and other documents relating to investments shall be retained in the custody of the Town Clerk.

12 Income

- 12.1 The collection of all sums due to the Council shall be the responsibility of and under the supervision of the Town Clerk.
- 12.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be notified to the Town Clerk who shall be ultimately responsible for the collection of all accounts due to the Council.
- 12.3 The Council will review all fees and charges annually as part of the budget setting process, following a report from the Town Clerk.
- 12.4 Bad debts – Any sums found to be irrecoverable and any bad debts be reported to the Council and shall be written off in the year they occur. Debts below a de-minimis level of £100 (which will be reviewed annually by the Council as part of these regulations) may be written off by the Town Clerk. Debts above this limit may only be written off following approval by F&GP Committee.
- 12.5 All sums received on behalf of the Council, shall either be paid to the Town Clerk for banking or be banked by the officer collecting the money as directed by the Town Clerk. In all cases all receipts shall be deposited with the Council's bankers at least weekly as otherwise fidelity guarantee cover is cancelled/invalid.

- 12.6 A reference to the related debt, or otherwise, indicating the origin of each cheque, shall be entered on the paying-in slip and electronic accounting system.
- 12.7 Every transfer of official money from one member of staff to another shall be signed for by the receiving officer. Personal cheques shall not be cashed out of money held on behalf of the Council.
- 12.8 The Town Clerk shall ensure the prompt completion of any VAT return that is required. Any repayment claim due in accordance with the VAT Act 1994 section 33 shall be made quarterly
- 12.9 The Town Clerk shall take such steps as are agreed by the Council to ensure that more than one person is present when cash is counted, and that there is reconciliation to some form of control such as ticket issues, and that the appropriate care is taken in the security and safety of individuals banking cash and cheques.

13 Orders for Work, Goods and Services

- 13.1 An official order with an official order number or letter with an official order number shall be issued by authorised officers only, for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate e.g. petty cash purchases. Copies of orders issued shall be maintained. Where an order is made online, a copy should be printed and retained.
- 13.2 Order books shall be controlled by the Town Clerks office.
- 13.3 All officers are responsible for obtaining value for money at all times. An officer issuing an official order is to ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction.
- 13.4 The Town Clerk shall verify the lawful nature of any purchase before the issue of any order, and in the case of new or infrequent purchase or payments, the Town Clerk shall ensure that the statutory authority shall be reported to F&GP Committee for approval.

14 Orders, Contracts and Consultants: Procedural Requirements

- 14.1 Expenditure shall only be incurred if authorised in accordance with the above regulations and by virtue of an official order signed (or otherwise authorised) by an officer;

OR

by a contract or agreement entered into in accordance with the procedures set out below

14.2 All contracts shall be in an approved form with appropriate legal advice obtained as and if required. No works shall commence until credit checks have been completed and if satisfactory, documents signed by both parties.

15 Purchase Orders - Quotation Procedures

15.1 All orders shall be in a prescribed form, and must be signed (or otherwise authorised) by the Town Clerk

15.2 When the estimated cost of an order is more than £5,000 but not more than £25,000, at least three competitive quotations should normally be sought and the best value quotation accepted albeit it may not be the cheapest. The Council is not bound to accept the cheapest quote.

15.3 Exceptions to this rule shall be when any order involves:-

(i) an insurance claim when the requirements of the insurance company or their loss adjuster shall apply, or when there is an insufficient number of suitable suppliers; **or**

(ii) the supply of gas, electricity, water, sewerage or telephone services; **or**

(iii) specialist services such as are provided by solicitors, accountants, surveyors, planning consultants or other areas of expertise; **or**

(iv) work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery, equipment or plant; **or**

(v) work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council; **or**

(vi) goods or materials proposed to be purchased which are proprietary articles and/or which are sold only at a fixed price.

15.4 The specification must be sent to the invited suppliers requiring that the quotation be returned to the Clerk (or nominated officer) in plain envelopes marked "quotation for...." and specifying a closing date. The number of suppliers invited should normally not be less than three.

15.5 The quotations will be opened by the Clerk in the presence of at least two members of the Council and will be recorded in a permanent record to be signed by those present.

15.6 F&GP Committee is to make the final decision as to which supplier is awarded a contract. The Council is not bound by the lowest quote received however acceptance of anything other than the lowest quotation is only to be done with the full approval of the F&GP Committee the reasons for such a decision must be formally recorded.

15.7 Where the estimated cost is £25,000 or more, a transaction will be subject to procurement procedures in accordance with the Local Govt Act 1972 (s.135). All contracts over £25,000 must be advertised on 'Contract Finder' website as well as other 'light touch' procurement rules as stated in the Public Contracts Regulations 2015 (the 2015 regulations).

15.8 Any contract value over £164,176 will require specialist advice from those who specialise in public procurement especially as such contracts are considered to be detailed and complex.

15.9 The placing of purchase orders in respect of all individual transactions which are estimated to cost £5,000 or more must be approved by F&GP Committee. The submission shall include details of the competitive processes to be employed and the prices obtained.

16 Tendering Procedures

16.1 The Town Clerk will consult with regard to which contractors should be included on an approved contractor's tender list. A draft list will be circulated to F&GP Committee for comment and approval. All contractors on the list shall provide contact details where the Council can obtain financial and technical references and the Council will seek to ensure that any information it holds regarding each contractor is kept up to date.

16.2 Tenders where the estimated cost is £5,000 or more shall be reported to F&GP Committee and administered in accordance with the Town Council's Financial Regulations and Procurement Policy (page 16)

16.3 Tenders shall be obtained by whichever of the following methods is most appropriate: -

- by invitation to contractors selected after advertisement or from an approved list. The number of tenders to be invited should not normally be less than three and can only be less than three with specific approval from the Council;
- for work of a character for which there is a limited number of contractors, by invitation to known contractors in the particular field;
- in exceptional circumstances, by invitation to a contractor selected by the Council.

16.4 Tenders shall be opened together in the presence of at least three people of whom one shall be the Clerk (or designated officer delegated this task) and two shall be members of the F&GP Committee. A list of tenders received will be recorded and signed by those present.

16.5 The council shall not be obliged to accept the lowest tender, quote or estimate. This policy is aimed at developing a robust decision making process that will deliver effective outcomes reflecting the Town Council's responsibility towards gaining Best Value for money the definition of which is:-

- **Cost** - lifetime cost means consideration of the whole life cost.
- **Quality** - means meeting a specification which is fit for purpose and sufficient to meet the customer's (customers being the Town Council and the tax payer) requirements
- **Sustainability** means economic, social and environmental benefits

The approval of the Council must be obtained if the tender being recommended for acceptance is other than the lowest. The reasons for the recommendation must be set out in a report and recorded. The Town Clerk

shall be responsible for ensuring that a formal record is kept of all tender proceedings and documentation.

17 Administration of Contracts

- 17.1 The successful tenderers for major capital contracts shall be asked to provide the guarantee of an insurance company bond or other suitable insolvency cover approved by the Council in a sum normally equal to 10% of the tender sum.
- 17.2 Payment to contractors on account of authorised contracts shall only be made on a certificate signed by, or on behalf of, the person named in the contract and shall show the gross value to date, retention money, amount paid to date and the amount now certified.
- 17.3 The Town Clerk, in consultation with the Mayor and Chairman of F&GP Committee (or in their absence of the Deputy Mayor and Vice Chairman of F&GP Committee) may vary contracts on their original terms and conditions by anything up to 10% of the original value for contracts with a value of up to £25,000 or 5% (subject to a limit of £10,000 if the approval of the Council is required for scheme changes during contract).
- 17.4 Decisions regarding whether any claim for liquidated damages should be pursued are delegated to the Clerk.
- 17.5 Where term contracts or schedules of rates have been employed, the Clerk shall submit to the Council quarterly a report setting out the values of works placed with each contractor.

18 Signatories for Contracts and other Legal Documents

- 18.1 Where a contract or other legal document requires signature those documents may be signed by the Mayor and Deputy Mayor (and in their absence the Chairman and Vice Chairman of F&GP).

19 Stores and Equipment

- 19.1 The member of staff, supervisor or officer in charge shall be responsible for the care and custody of stores and equipment in that section. For example; outsider services supervisors for maintenance equipment.
- 19.2 Delivery notes must be obtained in respect of all goods received and goods must be checked as regard to quality and/or quantities at the time delivery is made and signed as received on the delivery note which is passed into the office.
- 19.3 Stocks shall generally be maintained at the minimum levels consistent with operational requirements.
- 19.4 The supervisors and officers shall be responsible for arranging an annual check of all stocks and inventory.

20 Properties and Estates

- 20.1 The Town Clerk shall make appropriate arrangements for the custody of title deeds of properties owned by the Council. The Town Clerk shall ensure a record is maintained of all properties owned by the Council, recording the location, extent, plan, reference, purchase details, nature of the interest, tenancies granted, rents payable and purpose for which held in accordance with Accounts and Audit Regulations.
- 20.2 No property shall be sold, leased or otherwise disposed of without the authority of the Council, with the exception of the de minimis limit of **£1,000** in which case the Town Clerk has delegated authority.
- 20.3 The Town Clerk shall ensure that an appropriate and accurate 'Register of Assets and Investments' is kept up to date. The continued existence of tangible assets shown in the Register shall be verified at least annually. Assets with a purchase price or value greater than £1,000 shall be included in the Register. Values below £1,000 are to be listed on an inventory which shall also be verified annually.

21 **Insurance**

- 21.1 The Town Clerk shall effect all insurances and negotiate all claims on the Council's insurers. Such insurance shall be subject to competitive quotations every 5 years.
- 21.2 The Town Clerk shall take prompt action to ensure all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
- 21.3 The Town Clerk shall keep a record of all insurances effected by the Council and the property and risks covered thereby and review the scope and extent of the cover annually at renewal time.
- 21.4 The Town Clerk shall be notified of any loss, liability or damage or of any event likely to lead to a claim, and report these to Council at the next available meeting.
- 21.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.
- 21.6 Security – Each employee is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, equipment, cash and all property belonging to the Council under their control. Keys to safes and similar receptacles are to be carried on the person of those responsible at all times, any loss of such keys must be reported to the Town Clerk immediately.
- 21.7 Advice from the Town Council's insurers must be sought upon the introduction of new working practices for example: payment via online banking and any advice given must be actioned and recorded by the Clerk.

- 22.7 Any asset with a value in excess of **£1,000** is to be listed on a fixed asset register which is to be reviewed annually by the Town Clerk.
- 22.8 Any asset with a value less than the value of **£1,000** is to be listed on an inventory which is to be reviewed annually by the Town Clerk.

22 Risk Management

- 22.1 The Council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Council, a risk management policy statement in respect of all activities of the Council. Risk policy statement and consequential risk management arrangements shall be reviewed by the Council at least annually.
- 22.2 The Clerk shall be responsible for the setting and maintenance of a Risk Register for the Council and is to be reviewed annually.
- 22.3 When considering any new activity, the Clerk shall prepare a draft risk assessment and impact assessment (if needed) including risk management proposals for consideration and adoption by the F&GP Committee

23 Revision of Financial Regulation

- 23.1 It is the duty of the F&GP Committee to review the Financial Regulations of the Council annually.
- 23.2 The Town Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the Council of any requirement for a consequential amendment to these Financial Regulations

Schedule 1

a) Delegation to Designated Officers.

Authority to place orders, certify invoices and approve payments.

Clerk/RFO, Clerk's Office (Finance and Administration Officer).

Authority to place orders where the estimated value does not exceed £15,000 (without an express Council instruction e.g. specific contract)

Clerk/RFO.

In the absence of any officer, the Mayor or his nominee may act for that officer

SCHEDULE 2

a) Bank Signatories and Limits for Barclays Accounts and Debit Cards

A. Members of Council

Mayor; Deputy Mayor; Chairman and Vice Chairman of F&GP Committee.

B. Officers

Town Clerk

Limits for payments from bank accounts

Any single signatory £500

Any three signatories from lists A & B £15,000

Debit Card

Town Clerk/RFO £5,000 spend per month (excludes the payment of invoices as approved by Council).

Cards may not be used for private transactions.

Teignmouth Town Council Investment Strategy and Policy 2016/17

Introduction

Teignmouth Town Council acknowledges the importance of prudently investing the temporarily surplus funds held on behalf of the community. This Strategy complies with the revised requirements set out in the Office of the Deputy Prime Minister's Guidance on Local Government Investments and Chartered Institute of Public Finance and Accountancy's Treasury Management in Public Services: Code of Practice and Cross Sectoral Guidance Notes and takes account of the Section 15(1)(a) of the Local Government Act 2003.

Investment Objectives

In accordance with Section 15(1) of the 2003 Act, the Council will have regard (a) to such guidance as the Secretary of State may issue, and (b) to such other guidance as the Secretary of State may by regulations specify. The Council's investment priorities are the security of reserves and liquidity of its investments. The Council will aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. All investments will be made in sterling. The Department for Communities and Local Government maintains that borrowing of monies purely to invest, or to lend and made a return, is unlawful and this Council will not engage in such activity. Where external investment managers are used, they will be contractually required to comply with the Strategy.

Specified Investments

Specified Investment are those offering high security and high liquidity, made in sterling and with a maturing of no more than a year. Such short term investments made with the UK Government or a local authority or town parish council will automatically be Specified Investments. For the prudent management of its treasury balances, maintaining sufficient levels of security and liquidity, the Council will use:

- Deposits with banks, building societies, local authorities or other public authorities

Non Specified Investments

These investments have greater potential risk – examples include investment in the money market, stock and shares. Given the unpredictability and uncertainties surrounding such investments, the Council will not use this type of investment

Liquidity of Investments

The Town Clerk/RFO in consultation with the Mayor and Deputy Mayor (in the absence of the Chairman and Vice Chairman of F&GP) will determine the maximum

periods for which funds may prudently be committed so as not to compromise liquidity. Investments will be regarded as commencing on the date the commitment to invest is entered into, rather than the date on which the funds are paid over to the counterparty.

Long Term Investments

Long term investments are defined in the Guidance as greater than 36 months. The Council does not currently hold any long term investments. No long term investments are envisaged during the financial year 2016/17

End of Year Investment Reporting

At the end of the financial year, the Town Clerk/RFO will report on investment activity to the Finance and General Purposes Committee.

Review and Amendments

The strategy will be reviewed annually. The Annual Strategy for the coming financial year will be prepared by the Finance Officer and presented for approval at a Full Council. The Council reserves the right to make variations to the Strategy at any time, subject to the approval of the Full Council. Any variations will be made available to the public.

Freedom of Information

In accordance with the Freedom of Information Act 2000, this Document will be posted on the Council website www.teignmouth-devon.gov.uk or contact Tracey Higgs, Town Clerk and Responsible Financial Officer, Teignmouth Town Council, Bitton House, Bitton Park Road, Teignmouth TQ14 9DF, Tel: 01626 775030, e-mail; traceyhiggs@teignmouth-devon.gov.uk

Teignmouth Town Council Procurement Policy 2016/17

The requirements for Councils in England and Wales to have standing orders with respect to procuring and entering into contracts is set out in a.135 of the Local Govt Act 1972.

All purchasing must comply with the Council's Financial Regulations and in accordance with the Public Contracts Regulations 2015 (the 2015 regulations) if the value of the contract is in excess of £25,000

Value of the Contract (net of VAT)	Legal Requirements
Up to £25,000	Requirements in Standing Orders/Financial Regulations
Over £25,000	Use of the Contract Finder website and other light touch rules in accordance with the Public Contracts Regulations 2015
Over £164,176	Other detailed and complex requirements in accordance with the Public Contracts Regulations 2015

The purpose of this policy is to provide further guidance on the factors that will be taken into account when purchasing goods and services.

- 1 The Council recognises the benefits to the economy for using local businesses and will seek to use local contractors and suppliers wherever possible.
- 2 All contractors and suppliers working for the Council will be required to comply with the Council's Health & Safety policy and any rules specific to the site of operation. Provision of suitable risk assessments and method statements will be a condition of all such contracts.
- 3 The Council requires all contractors working on its behalf to maintain adequate insurance, including but not limited to Public Liability insurance for £5 million.
- 4 The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).
- 5 The Council understands the importance of paying suppliers promptly and will always endeavour to settle accounts within a maximum of 28 days and in accordance with Financial Regulations will be paid by either electronic bank transfer or by cheque.

9 The Council needs to have access to pre-approved contractors to supply routine services or who can be called on to provide emergency services, including but not limited to:

- Electricians
- General builders
- Glaziers
- Grass and hedge cutting contractors
- Locksmiths
- Plant hirers
- Plumbing and heating engineers
- Tree surgeons
- Vehicle and machinery service engineers

Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form.

The register of approved contractors will be periodically reviewed.

10 The Council is not obliged to accept the lowest of any tender, quotation or estimate, but must give valid reasons for not doing so (refer to 16.5 financial regulations).

11 This policy will be monitored and reviewed annually by the Town Clerk/RFO by the Council's Policy or in response to changes in legislation.