



Teignmouth Town Council Financial Regulations, Investment Strategy and Procurement Policy



**Date presented for adoption:
Agreed and Adopted:**

**2016
April 2016**

**Review date
Agreed and Adopted:**

**2017
18th July 2017**

**Review date
Agreed and Adopted**

**2019
Feb 2019**

**Revised and updated in accordance with NALC Model Financial Regulations
Amended for Covid 19**

**Nov 2019
May 2020**

**Review date
Agreed and Adopted**

**2021
2nd Nov 2021**



Introduction.

Teignmouth Town Council has appointed a Responsible Finance Officer (RFO) so for the purposes of this document the Clerk and RFO are indicated separately.

The Clerk has certain duties as defined by the Council.

The Responsible Finance Officer has certain duties as defined by the Council.

The Project and Facilities Manager has certain duties as defined by the Council.

1. General

1.1. These Financial Regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. Financial Regulations are one of the Council's three governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the Council's Standing Orders¹ and any individual financial regulations relating to contracts.

1.2. 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 internal control which facilitates the effective exercise of the Council's functions, including arrangements for the management of risk.

1.3. The Council's accounting control systems must include measures:

- for the timely production of accounts;
- that provide for the safe and efficient safeguarding of public money;
- to prevent and detect inaccuracy and fraud; and
- for identifying the duties of officers.

1.4. These financial regulations demonstrate how the Council meets these responsibilities and requirements.

1.5. At least once a year, prior to approving the Annual Governance Statement, the Council must review the effectiveness of its system of internal control which shall be in accordance with proper practices. This is currently done via audit and regular perusal by the Chairman with the RFO of cashbook records against bank statements.

1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.

¹ Model Standing Orders for Councils (2018 Edition) is available from NALC (©NALC 2018)



1.7. Members of Council are expected to follow the instructions within these Regulations and not to entice employees to breach them. Failure to follow instructions within these Regulations brings the office of Councillor into disrepute. See also item 10.3/4

1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the Council.

1.9. The RFO:

- acts under the policy direction of the Council;
- administers the Council's financial affairs in accordance with all Acts, Regulations and proper practices;
- determines on behalf of the Council its accounting records and accounting control systems;
- ensures the accounting control systems are observed;
- maintains the accounting records of the Council up to date in accordance with proper practices;
- assists the Council to secure economy, efficiency and effectiveness in the use of its resources; and
- produces financial management information as required by the Council.

1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Council from time to time comply with the Accounts and Audit Regulations.

1.11. The accounting records determined by the RFO shall in particular contain:

- entries from day to day of all sums of money received and expended by the Council and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the Council; and
- wherever relevant, a record of the Council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.

1.12. The accounting control systems determined by the RFO shall include:

- procedures to ensure that the financial transactions of the Council are recorded within 3 working days, as accurately and reasonably as possible;
- procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
- identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;



- procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Council for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
- measures to ensure that risk is properly managed.

1.13. The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- setting the final budget or the precept (Council tax requirement);
- approving accounting statements;
- approving an annual governance statement;
- borrowing;
- writing off bad debts;
- declaring eligibility for the General Power of Competence; and
- addressing recommendations in any report from the internal or external auditors, shall be a matter for the full Council only.

1.14. In addition, the Council must:

- determine and keep under regular review the bank mandate for all Council bank accounts;
- approve any grant or a single commitment in excess of £5,000 for unbudgeted items, or £10,000 for anything that previously agreed, with previous approval from the appropriate committee; and
- in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.

1.15. In these Financial Regulations, references to the Accounts and Audit Regulations or 'the regulations' shall mean the regulations issued under the provisions of section 27 of the Audit Commission Act 1998, or any superseding legislation, and then in force unless otherwise specified.

In these Financial Regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in *Governance and Accountability for Local Councils - a Practitioners' Guide (England)* issued by the Joint Practitioners Advisory Group (JPAG), available from the websites of NALC and the Society for Local Council Clerks (SLCC).

2. Accounting and audit (internal and external)

2.1. All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices.



2.2. On a regular basis, **at least once in each quarter**, and at each financial year end, a member other than the Chairman or a cheque signatory shall be appointed to verify bank reconciliations (for all accounts) produced by the RFO. The Member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Council/or Finance Committee.

2.3. The RFO shall complete the annual statement of accounts, annual report, and any related documents of the Council contained in the Annual Return (as specified in proper practices) as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Council within the timescales set by the Accounts and Audit Regulations.

2.4. The Council shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Council shall make available such documents and records as appear to the Council to be necessary for the purpose of the audit and shall, as directed by the Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Council considers necessary for that purpose.

2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by, the Council in accordance with proper practices.

2.6. The internal auditor shall:

- be competent and independent of the financial operations of the Council;
- report to Council in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
- to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
- have no involvement in the financial decision making, management or control of the Council

2.7. Internal or external auditors may not under any circumstances:

- perform any operational duties for the Council;
- initiate or approve accounting transactions; or
- direct the activities of any Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.

2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.

2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or



publish any notices and statements of account required by Audit Commission Act 1998, or any superseding legislation, and the Accounts and Audit Regulations via the Council website, Facebook noticeboard, by posting to other appropriate social media sites and by announcing at the nearest Council meeting.

2.10. The RFO shall, without undue delay, bring to the attention of all Councillors any correspondence or report from internal or external auditors.

3. Annual estimates (budget) and forward planning

3.1. Each committee (Projects and Facilities, HR (including Admin. & Training for staff and Members), Finance and Grants) shall review its three-year forecast of revenue and capital receipts and payments and put forward proposals to the Finance Committee in early October. Having regard to the forecast, the Finance Committee shall thereafter formulate and submit proposals for the following financial year to the Council not later than the end of October for consideration at the early November Council meeting each year, including any proposals for revising the forecast.

3.2. The RFO, in consultation with the Clerk, Head of Projects and Facilities and information from chairs of committees, etc, mentioned in 3.1 above, must each year, by no later than the end of December each year, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Council.

3.3. The Council shall consider annual budget proposals in relation to the Council's three-year forecast of revenue and capital receipts and payments including recommendations for the use of reserves and sources of funding and update the forecast accordingly.

3.4. The Council shall fix the precept (Council Tax requirement), and relevant basic amount of Council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.

3.5. The approved annual budget shall form the basis of financial control for the ensuing year.

4. Budgetary control and authority to spend

4.1. Expenditure on revenue items may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- the Council for all items already included in the agreed budget;
- the Council for any non-budgeted items over £5,000
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £5,000.



Such authority is to be evidenced by a minute or by an authorisation slip duly signed by the Clerk or the Projects and Facilities Manager, and where necessary also by the appropriate Chairman.

Contracts may not be disaggregated to avoid controls imposed by these regulations.

4.2. No expenditure may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the Council, or duly delegated committee. During the budget year and, with the approval of Council, having considered fully the implications for public services, unspent and available amounts may be moved to other budget headings or to an earmarked reserve as appropriate ('virement').

4.3. Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year but returned to Reserves initially or vied as in 4.2 above.

4.4. The salary budgets are to be reviewed by the HR Committee at least annually in November/December for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Chairman of Council or HR committee. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.

4.5. Only in cases of extreme risk to the delivery of Council services, the Clerk may authorise revenue expenditure on behalf of the Council which in the Clerk's judgement is necessary. Such expenditure includes repair, replacement or other work, whether there is any budgetary provision for the expenditure (or not), subject to a limit of £10,000. The Clerk shall report such action to the Chairman as soon as possible and to the Council as soon as practicable thereafter.

4.6. No expenditure shall be authorised in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the Council is satisfied that the necessary funds are available, and the requisite borrowing approval has been obtained.

4.7. All capital works shall be administered in accordance with the Council's Standing Orders and Financial Regulations relating to contracts.

4.8. The RFO shall provide the Council, via the Finance Committee, a statement of receipts and payments to date under each head of the budget, comparing actual expenditure to the appropriate date against that planned as shown in the budget, at least at the end of each financial quarter and shall show explanations of material variances. For this purpose, "material" shall be in excess of £500 or 15% of the budget.

4.9. Situations requiring changes in earmarked reserves shall be submitted by the RFO to Council and approved by Council as part of the budgetary control process.



5. Banking arrangements and authorisation of payments

5.1. The Council's banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Council; banking arrangements may not be delegated to a committee. They shall be regularly reviewed for safety and efficiency. The Council may seek credit references in respect of members or employees who act as signatories.

5.2. The RFO shall prepare a schedule of payments requiring authorisation, forming part of the Agenda for the Meeting and, together with the relevant invoices, present the schedule to Council or Finance Committee. The Council / committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the Council or Finance Committee. The approved schedule shall be ruled off and initialled by the Chairman of the Meeting. A detailed list of all payments shall be disclosed within, or as an attachment to, the minutes of the meeting at which payment was authorised. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of a contract of employment) may be summarised to remove public access to any personal information.

5.3. All invoices for payment shall be examined, verified and certified by the appropriate officers and passed by the RFO confirming that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously budgeted by the Council.

5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.

5.5. For each financial year the RFO shall draw up a list of due payments which arise on a regular basis as the result of a continuing contract, statutory duty, or obligation (such as but not exclusively) Salaries, PAYE and NI, Superannuation Fund and regular maintenance contracts and the like which are included in the annual budget creation process provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to.

5.6. In respect of grants, the Grants Committee, following its policy and expenditure limits agreed by the Council shall allocate grants up to £5000. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to assessment and recommendation by the Grants Committee for ratification by resolution of the Council.

5.7. Members are subject to the Code of Conduct that has been adopted by the Council and shall comply with that Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, bearing in mind the specifics of the Nolan Principles, unless a dispensation has been granted.

5.8. The Council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.



5.9. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by the RFO.

6. Instructions for the making of payments

6.1. The Council will make safe and efficient arrangements for the making of its payments.

6.2. Following authorisation under Financial Regulation 5 above, the Council, a duly delegated committee or, if so delegated, an officer, the Clerk or RFO shall give instruction that a payment be made.

6.3. All payments shall be effected by electronic means, in accordance with a resolution of the Council or Finance Committee.

6.4. Orders for payment drawn on the bank account in accordance with the schedule as presented to Council or committee shall be authorised by two members of Council, in accordance with a resolution instructing that payment. A Member who is a bank signatory, having a connection by virtue of family or business relationships with the beneficiary of a payment, should not, under normal circumstances, be a signatory to the payment in question.

6.5. Orders for payment shall not normally be presented for signature other than at a Council or committee meeting (including immediately before or after such a meeting). Any signatures obtained away from such meetings shall be reported to the Council or Finance Committee at the next convenient meeting.

6.6. If thought appropriate by the Council, payment for utility supplies (energy, telephone and water) and any National Non-Domestic Rates may be made by variable direct debit provided that the instructions are signed by two members or an officer who has delegated authority and any payments are reported to Council as made and then they will appear in the monthly statement pack. The approval of the use of a variable direct debit shall be renewed by resolution of the Finance Committee at least every two years and now included in the ToR for the Finance Committee.

6.7. If thought appropriate by the Council, payment for certain items (principally salaries) may be made by banker's Standing Order provided that the instructions are signed, or otherwise evidenced by two members, are retained, and any payments are reported to Council as made, summarised to comply with GDPR, as part of the regular schedule of payments

6.8. Payment for certain items may be made by BACS or CHAPS methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories, are retained, and any payments are reported to Council as made, as part of the regular schedule of payments. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Finance Committee at least every two years and now included in the ToR for the Finance Committee.



6.9. Payment for certain items may be made by internet banking transfer provided evidence is retained showing which Members or delegated authorised officer approved the payment.

6.10. GDPR advice is that no Personal identification Numbers or Passwords shall be shared with anyone. In the event of a major catastrophe, the Bank Mandate Office will be contacted to set up emergency arrangements for access.

6.11. No employee or Councillor shall disclose any PIN or password, relevant to the working of the Council or its bank accounts, to any person. There are sufficient numbers of authorised signatories that should cover sustainable working procedures in the event of usual signatories being unavailable.

6.12. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site which is in place.

6.13. The Council, and any members using computers for the Council's financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used. For Teignmouth Town Council to comply means that authorisations and bank transactions need to be done at Bitton House or Members to be supplied with a TTC laptop for such purposes.

6.14. Where internet banking arrangements are made with any bank, the Clerk shall be appointed as the Service Administrator. The bank mandate approved by the Council shall identify a number of Councillors who will be authorised to approve transactions on those accounts. The bank mandate will state clearly the amounts of payments that can be instructed by the use of the Service Administrator alone, or by the Service Administrator with a stated number of approvals.

6.15. Access to any internet banking accounts will be directly to the access page (which may be saved under "favourites"), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Council banking work. Breach of this Regulation will be treated as gross misconduct under these Regulations.

6.16. Changes to account details for suppliers, which are used for internet banking will be checked and confirmed by the RFO – see 5.9 above.

6.17 Any payment cards issued will be controlled by appropriate limits and use must follow the same ordering procedures used by other staff.

6.18. Personal credit or debit cards of members or staff must not be used under any circumstances.



7. Payment of salaries

7.1. As an employer, the Council shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. This is contracted out to a payroll bureau in our case. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salary rates shall be as agreed by Council, or duly delegated committee, i.e HR for staff but for the Clerk, Full Council.

7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Council or Finance Committee meeting, as set out in these regulations above.

7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Council or HR Committee.

7.4. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential digital record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than by:

- (a) the internal auditor
- (b) the external auditor or

(c) any person authorised under the Audit Commission Act 1998 or any superseding legislation.

7.5. The total of such payments in each calendar month shall be agreed in detail by the Clerk and reported, as total only, with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.

7.6. An effective system of personal performance management should be maintained for the senior officers which for Teignmouth Town Council is a programme of regular Appraisals to monitor appropriate salary grading.

7.7. Any termination payments shall be supported by a clear business case and reported to the Council. Termination payments shall only be authorised by Council.

7.8. Before employing interim staff, the Council must consider and approve a full business case.

8. Loans and investments

8.1. All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by Council as to



terms and purpose. The application for borrowing approval, and subsequent arrangements for the loan shall only be approved by full Council.

8.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State/Welsh Assembly Government (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the full Council. In each case a report in writing shall be provided to Council in respect of value for money for the proposed transaction.

8.3. The Council will arrange for the Chairman of the Council to access the Council's bank and investment accounts statements online.

8.4. All loans and investments shall be negotiated in the name of the Council and shall be for a set period in accordance with a Council decision.

8.5. The Council shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Council at least annually.

8.6. All investments of money under the control of the Council shall be in the name of the Council.

8.7. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

8.8. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of Payments) and Regulation 6 (Instructions for Payments).

8.9. An investment account has been approved by the Town Council (for holding of earmarked reserves) – details held by the Clerk/RFO.

9. Income

9.1. The collection of all sums due to the Council shall be the responsibility of and under the supervision of the RFO.

9.2. The Clerk will be responsible for ensuring that particulars of all charges to be made for work done, services rendered, or goods supplied shall be agreed at the prevailing rate by the Council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the Council at that rate.

9.3. The Council will review all fees and charges at least annually, following a report from the Clerk.

9.4. Any sums found to be irrecoverable and any bad debts shall be reported to the Council and shall be written off in the year.



9.5. All sums received on behalf of the Council shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Council's bankers with such frequency as the RFO considers necessary.

9.6. The RFO shall promptly complete any VAT Return that is required. Any repayment claims due in accordance with the current VAT legislation shall be made at least quarterly.

9.7. Where any sums of cash are received by the council, the RFO will issue a receipt and will ensure appropriate care is taken in the security and safety of individuals banking such cash.

9.8. Any income arising which is the property of a charitable trust shall be paid into a charitable bank account. Instructions for the payment of funds due from the charitable trust to the Council (to meet expenditure already incurred by the authority) will be given by the Managing Trustees of the charity meeting separately from any Council meeting (see also Regulation 16 below).]

10. Orders for work, goods and services

NB *Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family or their friends. They must declare and resolve any interests or relationships.*

Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.

(From the Guidance on Local Government Association Model Councillor Code of Conduct, Appx 2, General Principles: The 7 Principles of Public Life – Nolan Principles).

These principles should be applied to Sections 10, 11 and 12.

10.1. An official order or letter shall be issued for all work, goods and services unless a formal contract is to be prepared or an official order would be inappropriate. Items ordered on account will be given an order number as reference point. Copies of orders shall be retained. All work, goods or services procured via a Payment Card should be given an appropriate Cost Code as a reference point which will be tallied with the authorisation stamp on the invoice.

10.2. Orders, with sequential reference numbers, are generated digitally where necessary.

10.3. The Clerk is to ensure that all officers are responsible for obtaining value for money at all times. An officer issuing an official order shall ensure as far as reasonable and practicable that the best available terms are obtained in respect of each transaction, usually by obtaining three or more quotations or estimates from appropriate suppliers, subject to any de minimis provisions in Regulation 11.1 below.

10.4. A Member may not issue an official order, commission any work or services or make any contract on behalf of the Council. A Member wishing to identify services or work to be done must submit a proposal, including budget availability, to be considered by the relevant committee in the



first instance. A Member must not engage or order directly any supplier or enter into any contract under any circumstances.

10.5. The appropriate officer shall verify the lawful nature of any proposed purchase before the issue of any order, and in the case of new or infrequent purchases or payments, the RFO shall ensure that the statutory authority shall be reported to the meeting at which the order is approved so that the minutes can record the power being used.

11. Contracts

The Nolan Principles apply as detailed in 10 above.

11.1. Procedures as to contracts are laid down as follows:

a) Every contract shall comply with these Financial Regulations, and no exceptions shall be made otherwise than in an emergency provided that this regulation need not apply to contracts which relate to items (i) to (vi) below:

i. for the supply of gas, electricity, water, sewerage and telephone services;

ii. for specialist services such as are provided by legal professionals acting in disputes;

iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;

iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;

v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of Council); and

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

b) Where the Council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the Council shall comply with the relevant requirements of the Regulations².

² The Regulations require Councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts



- c) The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³.
- d) When applications are made to waive Financial Regulations relating to contracts to enable a price to be negotiated without competition the reason shall be embodied in a recommendation to the Council.
- e) Such invitation to tender shall state the general nature of the intended contract and the appropriate officer shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the appropriate officer and marked Confidential whether sent electronically, by royal or other mail, or delivered in person. The tender is to remain unopened until the prescribed date and time for opening tenders for that contract.
- For electronic submissions a specific “Tenders@” or similar email address will be created to preserve security.
- f) All tenders shall be considered at the same time on the prescribed date by the appropriate officer in the presence of at least one member of Council.
- g) Any invitation to tender issued under this Regulation shall be subject to Standing Order 18 and shall refer to the terms of the Bribery Act 2010.
- h) When the Council is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services (other than for such goods, materials, works or specialist services as are excepted as set out in paragraph (a)), the appropriate officer the appropriate office *must* obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £5,000 and above £1,000 the appropriate officer shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.
- j) Should it occur that the Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Council requires further pricing, then, ***provided that the specification does not change***, no person shall be permitted to

³ Thresholds currently applicable are:

- a) For public supply and public service contracts 209,000 Euros (£181,302)
b) For public works contracts 5,225,000 Euros (£4,551,413)



submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.

12. Payments under contracts for building or other construction works

The Nolan Principles apply as detailed in 10 above.

12.1. Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorisation by the appropriate officer of certificates from the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract)

12.2. Where contracts provide for payment by instalments, the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum of 5% or more, a report shall be submitted to the Council.

12.3. Any variation to a contract or addition to, or omission from, a contract must be approved by the Council, submitted by the appropriate officer and when approved made known to the contractor in writing, the Council being informed where the final cost is likely to exceed the financial provision.

13. Stores and equipment

13.1. The appropriate officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.

13.2. Delivery shall be verified in respect of all goods received by the appropriate officer and goods must be checked as to order and quality at the time of delivery.

13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.

13.4. The appropriate officer shall be responsible for periodic checks of stocks and stores, at least annually.

14. Assets, properties and estates

14.1. The Projects and Facilities Manager shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the Council and shall ensure a record is maintained of all properties held 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.

14.2. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Council, together with any other consents



required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.

14.3. No real property (interests in land) shall be sold or otherwise disposed of without the authority of the Council, together with any other consents required by law. In each case a written report shall be provided to Council in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate) from the appropriate officer. In the case of a change of leaseholder, a written report to council will come forward from the Projects and Facilities committee for information.

14.4. No real property (interests in land) shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council by the appropriate officer in respect of valuation and surveyed condition of the property (including matters such as planning permissions and covenants) together with a proper business case (including an adequate level of consultation with the electorate).

14.5. Subject only to the limit set in Regulation 14.2 above, no tangible moveable property shall be purchased or acquired without the authority of the full Council. In each case a report in writing shall be provided to Council by the appropriate officer with a full business case.

14.6. The appropriate officer shall ensure that an accurate Register of Assets (Project and Facilities Manager) and Investments (Responsible Finance Officer) is kept up to date. The continued existence of tangible assets shown in the Registers shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets by Projects and Facilities staff.

15. Insurance

15.1. Following the annual review of the insurance bundle provided by our insurance broker providing a breakdown for the budget, the Project and Facilities Manager shall effect all insurances and negotiate all claims on the Council's insurers in consultation with the Clerk.

15.2. The appropriate officer shall give prompt notification of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances to the Projects and Facilities Sub-Committee. Each Event leader will arrange for a risk assessment to be given to the Project and Facilities Manager at the earliest opportunity for assessment of the insurance implications.

15.3. The Projects and Facilities Manager shall keep a record of all insurances effected by the Council and the property and risks covered thereby and annually review it.

15.4. The Project and Facilities team shall be notified of any loss liability or damage or of any event likely to lead to a claim and shall report these to Council at the next available meeting.



15.5. All Members and employees of the Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the Council, or duly delegated committee.

16. Risk management

16.1. The Council is responsible for putting in place arrangements for the management of risk. The Clerk and Projects and Facilities Manager shall prepare, for approval by the Council, a risk register and policy statements in respect of all activities of the Council. Risk policy statements and consequential risk management arrangements shall be reviewed by the relevant committees for presentation to and approval by the Council at least annually or when the situation changes.

16.2. When considering any new activity, the relevant committee shall prepare a draft risk assessment including risk management proposals for consideration by the Clerk/Projects and Facilities Manager and subsequent approval by the Council.

17. Suspension and revision of Financial Regulations

17.1. It shall be the duty of the Council's Finance Committee to review the Financial Regulations at least annually and present them to full Council. The Clerk and RFO 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.

17.2. The Council may, by resolution of the Council duly notified prior to the relevant meeting of Council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of Council.

The Model Financial Regulations template, produced by the National Association of Local Councils (NALC) in July 2019 for the purpose of its member Councils and county associations, has been used in the creation of these customised Financial Regulations. Every effort has been made to ensure that the contents of this document are correct at time of publication. NALC cannot accept responsibility for errors, omissions and changes to information subsequent to publication.

Jla/31.10.21