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**Financial Regulations**

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**SEAFORD TOWN COUNCIL - FINANCIAL REGULATIONS**

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These Financial Regulations were adopted by the Town Council at its meeting held on 27th March 2025.

# General

* 1. These Financial Regulations govern the financial management of the Town Council and may only be amended or varied by resolution of Full Council. They are one of the Town Council’s governing documents and shall be observed in conjunction with the Town Council’s Standing Orders.
	2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
	3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
	4. In these Financial Regulations:
* ‘Accounts and Audit Regulations’ means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
* ‘Approve’ refers to an online action, allowing an electronic transaction to take place.
* ‘Authorise’ and ‘authorised’ refers to a decision by the Town Council, or a committee or an officer, to allow something to happen.
* ‘Proper practices’ means those set out in The Practitioners’ Guide
* The Practitioners’ Guide refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England.
* ‘Must’ and **bold text** refer to a statutory obligation the Town Council cannot change.
* ‘Shall’ refers to a non-statutory instruction by the Town Council to its members and staff.
	1. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the Town Council. The RFO;
* acts under the policy direction of the Town Council
* administers the Town Council's financial affairs in accordance with all Acts, Regulations and proper practices
* determines on behalf of the Town Council its accounting records and control systems
* ensures the accounting control systems are observed
* ensures the accounting records are kept up to date
* seeks economy, efficiency and effectiveness in the use of Town Council resources, and
* produces financial management information as required by the Town Council.
	1. **Full Council must not delegate any decision regarding:**
* **setting the final budget or the precept (council tax requirement)**
* **the outcome of a review of the effectiveness of its internal controls**
* **approving accounting statements**
* **approving an annual governance statement**
* **borrowing**
* **declaring eligibility for the General Power of Competence, and**
* **addressing recommendations from the internal or external auditors.**
	1. In addition, Full Council shall:
* determine and regularly review the bank mandate for all Town Council bank accounts, and
* approve bad debt write-offs above the delegated limit of £5,000

# Risk management and internal control

* 1. **The Town Council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**
	2. The Town Clerk with the RFO shall prepare, for approval by Full Council, a risk management policy covering all activities of the Town Council. This policy and consequential risk management arrangements shall be reviewed by the Town Council at least annually.
	3. When considering any new activity, the Town Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration by the Town Council.
	4. **At least once a year, the Town Council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**
	5. **The accounting control systems determined by the RFO must include measures to:**
* **ensure that risk is appropriately managed**
* **ensure the prompt, accurate recording of financial transactions**
* **prevent and detect inaccuracy or fraud**
* **allow the reconstitution of any lost records**
* **identify the duties of officers dealing with transactions, and**
* **ensure division of responsibilities.**
	1. At least once in each quarter, and at each financial year end, a member other than the Mayor shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The member shall sign and date the reconciliations and the original bank statements (or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the Finance & General Purposes Committee.
	2. Regular back-up copies shall be made of the records on any Town Council computer and stored either online or in a separate location from the computer. The Town Council shall put measures in place to ensure that the ability to access any Town Council computer is not lost if an employee leaves or is incapacitated for any reason.

# Accounts and audit

* 1. All accounting procedures and financial records of the Town Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
	2. **The accounting records determined by the RFO must be sufficient to explain the Town Council’s transactions and to disclose its financial position with reasonably accuracy at any time. In particular, they must contain:**
* **day-to-day entries of all sums of money received and expended by the Town Council and the matters to which they relate, and**
* **a record of the assets and liabilities of the Town Council.**
	1. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
	2. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return (AGAR) in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the Town Council, within the timescales required by the Accounts and Audit Regulations.
	3. **The Town Council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
	4. **Any officer or member of the Town Council must make available such documents and records as the internal or external auditor consider necessary for the purpose of the audit** and shall, as directed by the Town Council, supply the RFO, internal auditor, or external auditor with such information and explanation as the Town Council considers necessary.
	5. The internal auditor shall be appointed by the Town Council and shall carry out their work to evaluate the effectiveness of the Town Council’s risk management, control and governance processes in accordance with proper practices specified in the Practitioners’ Guide.
	6. The Town Council shall ensure that the internal auditor:
* is competent and independent of the financial operations of the Town Council,
* reports to the Town Council in writing, or in person, on a regular basis with a minimum of one written report during each financial year,
* can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships, and
* has no involvement in the management or control of the Town Council.
	1. Internal or external auditors may not under any circumstances:
* perform any operational duties for the Town Council,
* initiate or approve accounting transactions,
* provide financial, legal or other advice including in relation to any future transactions, or
* direct the activities of any Town Council employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
	1. For the avoidance of doubt, in relation to internal audit the terms ‘independent’ and ‘independence’ shall have the same meaning as described in The Practitioners Guide.
	2. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
	3. The RFO shall, without undue delay, bring to the attention of the Town Council any correspondence or report from internal or external auditors.

# Budget and precept

* 1. **Before setting a precept, the Town Council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
	2. Budgets for salaries and wages, including employer contributions shall be reviewed at least annually during the budget setting process for the following financial year and a final version shall be evidenced by a schedule signed by the Town Clerk. The RFO will inform committees of any salary implications before they consider their draft budgets.
	3. No later than December each year, the RFO shall prepare a draft budget with detailed estimates of all revenue income and expenditure for the following financial year along with a forecast for the following four financial years taking account of the lifespan of assets and cost implications of repair and replacement.
	4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the Finance & General Purposes Committee or Full Council.
	5. Each committee shall review its draft budget and submit any proposed amendments to the Finance & General Purposes Committee not later than the end of December each year.
	6. The draft budget with any committee proposals and four-year forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the Finance & General Purposes Committee and a recommendation made to the Town Council.
	7. Having considered the proposed budget and four-year forecast, the Town Council shall determine its council tax requirement by setting a budget. The Town Council shall set a precept for this amount no later than the end of January for the ensuing financial year.
	8. **Any member with council tax debt unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.** This is not automatically an issue with councillors who pay council tax in monthly instalments as they are not in arrears from an expected payment.
	9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
	10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
	11. Movements in earmarked reserves (EMRs) shall be approved by the RFO and reported to the relevant committee as part of the budgetary control process.

# Procurement

* 1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from more than one supplier.
	2. The RFO should verify the lawful nature of any proposed purchase before it is made or as soon as possible after the order is placed by the authorised Department Manager.
	3. Every contract shall comply with the Town Council’s Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.
	4. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation (“the Legislation”), must be followed in respect of the tendering, award and notification of that contract.**
	5. For contracts estimated to exceed £30,000 including VAT, the Town Clerk shall advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.
	6. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**
	7. **Contracts must not be split to avoid compliance with these rules.**
	8. Where the estimated value is below the Government threshold, the Town Council shall (with the exception of items listed in paragraph 5.9) obtain prices in accordance with the Procurement Table in Appendix 1.
	9. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (viii) below:
		1. for the supply of gas, electricity, water, sewerage, and telephone services
		2. specialist services, such as legal professionals, accountants, surveyors and consultants;
		3. repairs to, or parts for, existing machinery or equipment;
		4. works, goods or services that constitute an extension of an existing contract;
		5. goods or services that are only available from one supplier or are sold at a fixed price;
		6. for additional work of the external auditor up to an estimated value of £1,000 (in excess of this sum the Town Clerk and RFO shall act after consultation with the Chair of the Finance & General Purposes Committee);
		7. contracts of employment;
		8. any contract for the sale or purchase of any right in or over land or premises.
	10. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the Town Council. Avoidance of competition is not a valid reason.
	11. The Town Council shall not be obliged to accept the lowest or any tender, quote or estimate.
	12. Expenditure on revenue items up to the amounts included for that class of expenditure in the approved budget is authorised. This authority is to be determined by the Town Council when setting the Annual Budget, subject to the requirements of the Town Council’s Standing Orders and Financial Regulations.
	13. No individual member, or informal group of members may issue an official order or make any contract on behalf of the Town Council.
	14. No expenditure may be authorised that will exceed the amount provided in the revenue budget for a Committee Budget other than by resolution of the Town Council, except in an emergency. During the budget year, it is expected that Account Codes will vary to budget and that consequently Cost Centres will also vary. However, the Committee spend must be within budget unless approved otherwise by Full Council. Any deviations due to loss of income does not require approval but should be reported to the relevant committee as soon as practicable. There is no need to undertake virements.
	15. In cases of serious risk to the delivery of Town Council services or to public safety on Town Council premises, the Town Clerk may authorise expenditure of up to £10,000 excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Town Clerk shall report such action to the Mayor of the Town Council as soon as practicable thereafter.
	16. No expenditure shall be authorised, no contract entered into, or tender accepted in relation to any major project, unless the Town Council is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
	17. 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. Copies of orders shall be retained, along with evidence of receipt of goods where necessary.
	18. Any ordering system can be misused and access to them shall be controlled by the RFO and authorised Department Managers.

# Banking and payments

* 1. The Town Council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the Town Council; banking arrangements shall not be delegated to a committee. The Town Council has resolved to bank with the Co-operative Bank. The arrangements shall be reviewed at least every five years for security and efficiency.
	2. The Town Council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the councils bank.
	3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the RFO. Where certification of invoices is done as a batch, this shall include a batch header signed by the RFO that the invoices listed have been examined, verified and certified.
	4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
	5. Wherever possible, payments shall be made by online banking, in accordance with a resolution of the Town Council (or duly delegated committee) or a delegated decision by an officer.
	6. A list of regular payments and Direct Debits shall be submitted to the Finance & General Purposes Committee every two years.
	7. The Town Clerk and RFO shall have delegated authority to authorise payments and transfers in the following circumstances:
		1. payments of up to £10,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
		2. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 or to comply with contractual terms, where the due date for payment is before the next scheduled payment run, where the Town Clerk and RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of the Finance & General Purposes Committee.
		3. Fund transfers within the councils banking arrangements provided that a list of such transfers shall be submitted to the next appropriate meeting of the Finance & General Purposes Committee.
	8. The Finance Assistant shall present a weekly schedule of payments requiring authorisation. These will be reviewed by the RFO for approval before seeking authorisation from two Members. This authorisation may be given via email or in person.

# Electronic payments

* 1. Where internet banking arrangements are made with any bank, the Town Clerk and RFO shall be appointed as the Service Administrators. The bank mandate agreed by the Town Council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process.
	2. No employee or councillor shall disclose any PIN or password, relevant to the Town Council or its banking, to anyone not authorised in writing by the Town Council or a duly delegated committee.
	3. The Finance Assistant shall set up all items due for payment online after authorisation from two Members has been given as per 6.8.
	4. Once set up by the Finance Assistant, the RFO will check the details and then release the funds. In the prolonged absence of either the Finance Assistant or RFO, other authorised persons may be appointed to complete the online payment process by the Town Clerk.
	5. With the approval of the Town Council, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit, provided that the instructions are approved by two authorised members. The approval of the use of each variable direct debit shall be reviewed by the Town Council at least every two years.
	6. If thought appropriate by the council, regular payments of fixed sums may be made by banker’s standing order, provided that the instructions are approved by two members, evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker’s standing order shall be reviewed by the Town Council at least every two years.
	7. Account details for suppliers may only be changed upon written notification by the supplier verified by the Town Clerk or RFO. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
	8. Members and officers shall ensure that any computer used for the council’s financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.
	9. Remembered password facilities should not be used on any computer used for council banking.

# Cheque payments

* 1. Cheques or orders for payment in accordance with a resolution or delegated decision shall be signed by two members and countersigned by the RFO or Town Clerk.
	2. A signatory having a family or business relationship with the beneficiary of a payment shall not, under normal circumstances, be a signatory to that payment.
	3. To indicate agreement of the details on the cheque with the counterfoil and the invoice or similar documentation, the signatories shall also initial the cheque counterfoil and invoice.

# Payment cards

* 1. Any credit, debit or payment card issued for use will be specifically restricted to use in accordance with the Town Council’s Purchase Ordering and Payment for Goods Policy.

# Petty Cash

* 1. The RFO shall hold a petty cash float of £250 and may provide petty cash to officers for the purpose of defraying operational and other expenses.
1. Vouchers for payments made from petty cash shall be kept, along with receipts to substantiate every payment.
2. Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
3. Payments to maintain the petty cash float shall be shown separately on any schedule of payments presented for approval.

# Payment of salaries and allowances

* 1. **As an employer, the Town Council must make arrangements to comply with the statutory requirements of PAYE legislation.**
	2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
	3. Salary rates shall be agreed by the Town Council, or a duly delegated committee. No changes shall be made to any employee’s gross pay, emoluments, or terms and conditions of employment without the prior consent of the Personnel Committee or Town Council otherwise than in accordance with the Scheme of Delegation.
	4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
	5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
	6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook.
	7. The confidential pay records are not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
1. by any member who can demonstrate a need to know
2. by the internal or external auditor
3. by any person authorised under The Audit Commission Act 1998, or any superseding legislation
	1. Any termination payments shall be supported by a report to the Town Council, setting out a clear business case. Termination payments shall only be authorised by the Town Council other than in accordance with the Scheme of Delegation.

# Loans and investments

* 1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the Town Council and recorded in the minutes. All borrowing shall be in the name of the Town Council, after obtaining any necessary approval.
	2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the Town Council, following a written report on the value for money of the proposed transaction.
	3. The Town Council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must written be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Town Council at least annually.
	4. All investment of money under the control of the Town Council shall be in the name of the Town Council.
	5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
	6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

# Income

* 1. The collection of all sums due to the Town Council shall be the responsibility of and under the supervision of the RFO.
	2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the RFO. The RFO shall be responsible for the collection of all amounts due to the council.
	3. Any sums found to be irrecoverable, and any bad debts shall be reported by the RFO to Full Council if £3,000 or more, or to the Finance & General Purposes Committee if under £3,000 and shall be written off in the year. The relevant approval shall be shown in the accounting records.
	4. All sums received on behalf of the Town Council shall be deposited intact with the Town Council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.
	5. Personal cheques shall not be cashed out of money held on behalf of the council.
	6. The RFO shall ensure that VAT is correctly recorded in the council’s accounting software and that any VAT Return required is submitted form the software by the due date.
	7. Where sums of cash exceeding £500 are received by the Town Council, the RFO shall ensure that more than one person is present when the cash is counted in the first instance, that there is a reconciliation to some form of control record, and that appropriate care is taken for the security and safety of individuals banking such cash.

# Payments under contracts for building or other construction works

* 1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.
	2. Any variation or addition or omission from a contract must be authorised by the Town Clerk to the contractor in writing, with the Town Council being informed where the final cost is likely to exceed contract sum by 5% or more or likely to exceed the budget available.

# Stores and equipment

* 1. The officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
	2. Delivery notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
	3. Stocks shall be kept at the minimum levels consistent with operational requirements.
	4. The RFO shall be responsible for periodic checks of stocks and stores, at least annually.

# Assets, properties and estates

* 1. The Town Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the Town Council.
	2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the Town Council, their 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.
	3. The continued existence of tangible assets shown in the Register shall be verified at least annually, possibly in conjunction with a health and safety inspection of assets.
	4. No interest in land shall be purchased or otherwise acquired, sold, leased or otherwise disposed of without the authority of the Town Council, together with any other consents required by law. In each case a written report shall be provided to Town 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 where required by law).
	5. No tangible moveable property shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Town Council, together with any other consents required by law, except where the estimated value of any one item does not exceed £5,000.

# Insurance

* 1. The RFO shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the Town Council’s review of risk management.
	2. The Town Clerk and Section Managers shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurances.
	3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the Town Council at the next available meeting. The RFO shall negotiate all claims on the council's insurers.
	4. All appropriate members and employees of the Town Council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Town Council.

# Suspension and revision of Financial Regulations

* 1. The Town Council shall review these Financial Regulations annually. The Town Clerk and RFO shall monitor changes in legislation or proper practices and advise the Town Council of any need to amend these Financial Regulations.
	2. The Town Council may, by resolution duly notified prior to the relevant meeting of the Town 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 presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.
	3. The Town Council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances

# Earmarked Reserves (EMR)

* 1. Reserves will only be earmarked in line with the CIPFA Code of Practice on Local Authority Accounting in the UK (the Statement of Recommended Practice). The amount earmarked in any one financial year will not exceed the difference (surplus) between the budgeted net expenditure and the actual net expenditure. All capital receipts will go into a Capital Receipts EMR, which can only be used for capital expenditure.
	2. Reserves can be spent or Earmarked at the discretion of the Town Council. They can result from:

(i) events which have allowed monies to be set aside,

(ii) surpluses,

(iii) decisions causing anticipated expenditure to have been postponed or cancelled,

(iv) monies set aside for major anticipated capital schemes, projects or service arrangements the Town Council may wish to carry out.

* 1. Expenditure will not be charged direct to Earmarked Reserves and transfers to and from Earmarked Reserves will be distinguished from service expenditure in the Statement of Accounts.
	2. For each reserve established, the following will be clearly documented:
1. The reason for or the purpose of the Earmarked Reserve will be clearly defined within the above guidelines.
2. The types of expenditure the Earmarked Reserve will be used for and the basis of transactions will be clearly defined.
3. Any circumstances for which the reserves cannot be used.
	1. Reserves will be managed, controlled and reviewed by the RFO;
4. On a transaction by transaction basis to ensure that the correct expenditure is being taken from the correct reserve and that no reserve is overspent.
5. Twice per year, once during the budget review procedure and once at the year-end. The RFO, in consultation with the Town Clerk, will review the appropriateness of each reserve, making recommendations to Full Council as to which reserves should be earmarked in the next financial year. At such time, any reserves considered no longer appropriate will be transferred back to the General Reserve.
6. During the year end closedown procedures, when all income and expenditure is known, and having consulted with the Chair of the Finance & General Purposes Committee, the RFO will earmark any underspends on any appropriate budget as long as there are sufficient underspends in the overall Town Council budget. Any such decisions will be communicated promptly to the Finance & General Purposes Committee. Expenditure from these reserves must be approved by the RFO, in consultation with the Town Clerk. Any use of these Reserves will be reported to the next Finance & General Purposes Committee.

# Concessions

* 1. The Town Council has an adopted Concessions Policy that governs the concessions tendering process. Whilst not a procurement process, the concessions tendering process is designed to align with the principles set out within procurement legislation, ensuring a fair, transparent and robust process. Concessions contracts over the value of £5,336,937 are subject to the Procurement Act 2023.

# Appendix 1 - Tender process and Procurement Table

* 1. Any invitation to tender shall state the general nature of the intended contract and the Town Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.
	2. The invitation shall in addition state that tenders must be addressed to the Town Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
	3. Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. All sealed tenders shall be opened at the same time on the prescribed date by the Town Clerk in the presence of at least one member of council.
	4. Where an electronic tendering process is used, the Town Council shall use a specific email address that can only be accessed by the Town Clerk and RFO. After the tender period closes:
		1. For tender processes with an estimated value of £29,999 or less (including VAT), the Town Clerk or RFO will forward all tenders to the appropriate Department Manager who will recommend a contractor as per the Procurement Table.
		2. For tender processes with an estimated value of £30,000 or more (including VAT), the Town Clerk or RFO will forward all tenders to the department manager (for contracts £30,000 - £59,999) or appointed evaluation panel (for contracts over £60,000) which will recommend a contractor as per the Procurement Table.
	5. Any invitation to tender issued under this regulation shall be subject to the Town Council’s adopted Standing Orders and shall refer to the terms of the Bribery Act 2010.
	6. Where the Town Council, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the Town Council requires further pricing, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision-making process was being undertaken.
	7. Where the estimated costs of works, goods, services or materials are as set out in the procurement table below, after the required budget provision has been agreed, the arrangements for the invitation of tenders or quotes as appropriate and the subsequent acceptance thereof shall be as shown in the table below.
	8. When estimating contract values, the Town Council must include: the full term of the contract, any potential extension periods, all renewal options, and the total cost including VAT.
	9. Providing a genuine estimate has been reached prior to launching the procurement process, if the quotes come in higher than expected and cross another threshold within the table below, the process need not be restarted.

**Procurement Table**

|  |  |  |
| --- | --- | --- |
| **Estimated Value (Including VAT)** | **Method of Procurement** | **Acceptance By** |
| Up to £3,599 | Best practice and value for money in line with FR 5.1 – power to spend. | Department Manager (Town Clerk or RFO must countersign spend over £2,000) |
| £3,600 to £29,999 | Minimum 3 quotes, where possible - no quote must be accepted without approval from the Town Clerk or RFO. | Town Clerk / RFO |
| £30,000 to £59,999 | All contracts over £30,000 including VAT to be scrutinised by the Town Clerk or RFO prior to advertising of contract.Advertise all contracts over £30,000 including VAT on the Town Council’s website and the Central Digital Platform website within 24 hours of advertising elsewhere. Unless the Town Council chooses to use an existing list of approved suppliers (framework agreement).A contract for over £30,000 (including VAT) is subject to the Procurement Act 2023.Tender documents shall be handled as confidential and shared with the department manager or suitably delegated officer for evaluating, as per the evaluation process. The evaluation and suggested chosen tender will be shared with the Town Clerk, RFO and chosen councillor (who will have been identified in the planning stages of the tender process. The department manager/delegated officer, Town Clerk / RFO and chosen councillor will come together to agree the chosen tender | Town Clerk / RFO plus 1 member of the Town Council (Chair of relevant committee where possible) |
| £60,000 and over | All contracts to be scrutinised by the Town Clerk or RFO prior to advertising of contract.Tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:* a specification for the goods, materials, services or the execution of works shall be drawn up;
* an invitation to tender shall be drawn up to confirm
1. the Town Council’s specification,
2. the time, date and address for the submission of tenders,
3. the date of the Town Council’s written response to the tender, and
4. the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process
* All contracts shall be advertised on the Town Council’s website and the Central Digital Platform website within 24 hours of advertising elsewhere. Unless the Town Council chooses to use an existing list of approved suppliers (framework agreement).
* The invitation to tender shall be advertised via the Town Councils website, social media, and a press release as well as any other manner that is appropriate.
* Any invitation to tender issued under this regulation shall refer to the terms of the Bribery Act 2010.
* Tenders shall be opened by the Town Clerk/Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed.
* Tender documents shall be handled as confidential and shared with the evaluation panel for scoring. The evaluation panel members will have been identified in the planning stages of the tender process. The evaluation panel will come together to agree final scores assigned and identify the chosen tender
* The Town Council is not bound to accept the lowest tender.

The outcome of the tender process will be recorded in the Town Council’s tender file held by the RFO and will be reported to the next appropriate meeting. | **£60,000 - £199,999**Town Clerk / RFO plus 2 Members of the Town Council (Chair of the relevant committee plus 1 other committee member or the Town Mayor)**ALL TENDERS OVER £200,000 TO BE ACCEPTED BY FULL COUNCIL** |
| In excess of £214,904 (including VAT) for goods and services or £5,372,609 (including VAT) for a public works/construction contract | A public contract regulated by the Procurement Act 2025 with an estimated value in excess of £214,904 for a goods or services contract or in excess of £5,372,609 for a public works/construction contract shall comply with the relevant procurement procedures and other requirements in the Procurement Act 2025 which include advertising the contract opportunity on the Central Digital Platform website.A public contract in connection with the supply of gas, heat, electricity, drinking water, transport services, or postal services to the public; or the provision of a port or airport; or the exploration for or extraction of gas, oil or solid fuel with an estimated value in excess of £429,809 for a supply, services or design contract; or in excess of £5,336,937 for a works contract. The value of these contracts is calculated over the whole lifetime of the contract inclusive of VAT | **ALL TENDERS OVER £200,000 CAN ONLY BE ACCEPTED BY FULL COUNCIL** |