

Littleton and Harestock Parish Council

Financial Regulations

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LITTLETON & HARESTOCK PARISH COUNCIL

FINANCIAL REGULATIONS

This document describes the Financial Regulations for the Littleton and Harestock Parish Council (LHPC) based on a National Association of Local Councils (NALC) template 2019.

1 GENERAL

- 1.1 These financial regulations govern the conduct of financial management by the LHPC and may only be amended or varied by resolution of the LHPC. Financial regulations are one of the LHPC's governing policy documents providing procedural guidance for members and officers. Financial regulations must be observed in conjunction with the LHPC's standing orders and any individual financial regulations relating to contracts.
- 1.2 The LHPC is responsible in law for ensuring that its financial management is adequate and effective and that the LHPC has a sound system of internal control which facilitates the effective exercise of the LHPC's functions, including arrangements for the management of risk.
- 1.3 The LHPC'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;
 - identifying the duties of officers.
- 1.4 These financial regulations demonstrate how the LHPC meets these responsibilities and requirements.
- 1.5 At least once a year, prior to approving the Annual Governance Statement, the LHPC must review the effectiveness of its system of internal control which shall be in accordance with proper practices.
- 1.6 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.7 Members of LHPC 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.
- 1.8 The LHPC Clerk has been appointed as Responsible Financial Officer (RFO), and these regulations will apply accordingly.
- 1.9 The RFO:
 - acts under the policy direction of the LHPC;
 - administers the LHPC's financial affairs in accordance with all Acts, Regulations and proper practices;
 - determines on behalf of the LHPC its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the LHPC up to date in accordance with proper practices;
 - assists the LHPC to secure economy, efficiency, and effectiveness in the use of its resources;
 - produces financial management information as required by the LHPC.
- 1.10 The accounting records determined by the RFO shall be sufficient to show and explain the LHPC'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 LHPC 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 LHPC and the matters to which the income and expenditure or receipts and payments account relate;
- a record of the assets and liabilities of the LHPC;
- wherever relevant, a record of the LHPC'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 LHPC are recorded as soon as reasonably practicable and 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 LHPC for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records;
- measures to ensure that risk is properly managed.

1.13 The LHPC is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular, the following decisions must be made at a full LHPC meeting:

- 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;
- addressing recommendations in any report from the internal or external auditors.

1.14 In addition the LHPC must:

- determine and keep under regular review the bank mandate for all LHPC bank accounts;
- approve any grant or a single commitment in excess of £1,500 net, or in the case of emergencies £3,000 net (see Table 1);
- 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

2.1 All accounting procedures and financial records of the LHPC 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 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 Finance and General Purposes Committee.

2.3 The RFO shall complete the annual statement of accounts, annual report, and any related documents of the LHPC 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 LHPC within the timescales set by the Accounts and Audit Regulations.

- 2.4 The LHPC 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 LHPC shall make available such documents and records as appear to the LHPC to be necessary for the purpose of the audit and shall, as directed by the LHPC, supply the RFO, internal auditor, or external auditor with such information and explanation as the LHPC 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 LHPC in accordance with proper practices.
- 2.6 The internal auditor shall:
- be competent and independent of the financial operations of the LHPC;
 - report to LHPC 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;
 - have no involvement in the financial decision making, management or control of the LHPC.
- 2.7 Internal or external auditors may not under any circumstances:
- perform any operational duties for the LHPC;
 - initiate or approve accounting transactions;
 - direct the activities of any LHPC 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.
- 2.10 The RFO shall, without undue delay, bring to the attention of the LHPC any correspondence or report from internal or external auditors.

3 ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1 The RFO must each year, by no later than December, 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 Finance and General Purposes Committee and the LHPC.
- 3.2 The LHPC 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.
- 3.3 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 as follows:-

Table 1: Budgetary Control and Authority to Spend

Class of Expenditure	Authority to Spend
<p>Major Expenditure over £1,500 Planned and approved payments over £1,500 and below.</p>	Requires specific LHPC approval as recorded in the minutes of LHPC proceedings.
<p>Emergency Expenditure Unplanned expenditure to manage types of extreme risk to the Parish LHPC and its functions, or for other emergencies such as health and safety matters. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure.</p> <p>Expenditure Range £1,500 to £3,000.</p> <p>Expenditure Range up to £1,500.</p>	<p>If the emergency work is above £1,500 then in consultation with two of the Chair, the Vice-Chair and any member of the Finance and General Purposes Committee, the Clerk can authorise expenditure according to the LHPC delegation schedule, subject to a limit of £3,000, and this must be reported to the LHPC as soon as practicable.</p> <p>The Clerk can approve payment up to £1,500, and report such emergency action to the Chair or Vice-Chair as soon as possible, and to the LHPC as soon as practicable.</p>
<p>General Expenditure to £1,500 Any payments from £750 to £1,500.</p>	If the expenditure is £750 or above then in consultation with two of the Chair, the Vice-Chair, and any member of the Finance and General Purposes Committee, the Clerk can authorise expenditure according to the LHPC delegation schedule, subject to a limit of £1,500, and this must be reported to the LHPC as soon as practicable.
<p>Schedule of Approved Regular Payments. See Paragraph 5.4</p>	If the expenditure is listed in the approved regular payments schedule, the Clerk can authorise expenditure according to the LHPC delegation schedule, and this must be reported to the LHPC as soon as practicable.
<p>Routine Repair and Maintenance below £750 For invoices and purchases below £750 to repair or maintain existing LHPC assets.</p>	If the expenditure is below £750, the Clerk can authorise expenditure according to the LHPC delegation schedule, and this must be reported to the LHPC as soon as practicable.
<p>Minor Running Costs e.g. office or cleaning supplies. For invoices and purchases below a value of £100.</p>	The Clerk can authorise expenditure below £100 for minor running costs, and this must be reported to the LHPC as soon as practicable.

All values specified in the above table, Table 1: Budgetary Control and Authority to Spend are net values (not including VAT).

- 4.2 Contracts may not be disaggregated to avoid controls imposed by these regulations.
- 4.3 No expenditure (except emergency expenditure – see Table 1) may be authorised that will exceed the amount provided in the revenue budget for that class of expenditure other than by resolution of the LHPC. During the budget year and with the approval of LHPC 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').
- 4.4 Unspent provisions in the revenue or capital budgets for completed projects shall not be carried forward to a subsequent year.
- 4.5 The salary budgets are to be reviewed at least annually (as part of the budget process) for the following financial year. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 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 LHPC 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 LHPC's standing orders and financial regulations relating to contracts.
- 4.8 The RFO shall regularly provide the Finance and General Purposes Committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared prior to each Finance and General Purposes Committee meeting, and shall show explanations of material variances. For this purpose "material" shall be in excess of 15% of the budget.
- 4.9 Changes in earmarked reserves shall be approved by the LHPC as part of the budgetary control process.

5 BANKING ARRANGEMENTS

- 5.1 The LHPC's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the LHPC; banking arrangements may not be delegated to a committee. They shall be regularly reviewed by the Finance and General Purposes Committee for efficiency.
- 5.2 The RFO will draw up a list of payments already made under delegated authority as specified in Table 1 and submit it to the next appropriate meeting of LHPC for endorsement. A detailed list of all payments made shall be disclosed within or as an attachment to the minutes of the meeting at which payment was endorsed.
- 5.3 A schedule of the payments required, forming part of the Agenda for the monthly LHPC Meeting, shall be prepared by the RFO and be presented to the LHPC. If the schedule is in order it shall be authorised by a resolution of the LHPC and shall be 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.
- 5.4 Cheques, Standing Orders, Direct Debits, BACS payments and debit card payments drawn on the bank account in accordance with the schedules referred to in paragraphs 5.2 and 5.3, or in accordance with paragraph 6.3 shall be authorised by two parish councillors with a specific statement to authorise payment written on each invoice so paid. Any Parish Councillor 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.
- 5.5 For each financial year the Clerk and 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 for which LHPC may authorise payment for the year provided that the requirements of regulation 4.1 (Budgetary Controls) are adhered to, provided also that a list of such payments shall be submitted to the next appropriate meeting of the LHPC for endorsement. (See paragraph 5.2). 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.

- 5.6 Members are subject to the Code of Conduct that has been adopted by the LHPC and shall comply with the 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, unless a dispensation has been granted.

6 INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1 The LHPC will make safe and efficient arrangements for the making of its payments.
- 6.2 All payments shall be effected by debit card electronic payment, cheque or other order drawn on the LHPC's bankers.
- 6.3 All invoices for payment shall be examined, verified and certified by the Clerk. The Clerk shall be satisfied that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved and shall take all steps to settle all invoices submitted as soon as possible, and to be authorised for payment at the next available LHPC Meeting.
- 6.4 If the due date for payment is before the next scheduled meeting of the LHPC or if a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, the Clerk may (notwithstanding paragraph 6.2) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of the LHPC.
- 6.5 To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6 If deemed appropriate by the LHPC, payment for utility supplies (energy, telephone, internet service and water) may be made by variable Direct Debit or payment by Internet Banking provided that the instructions are signed by two members and any payments are reported to LHPC as made.
- 6.7 If thought appropriate by the LHPC, 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 LHPC as made.
- 6.8 If thought appropriate by the LHPC, 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 members, are retained and any payments are reported to LHPC as made.
- 6.9 No employee or councillor shall disclose any PIN or password, relevant to the working of the LHPC or its bank accounts, to any person not authorised in writing by the LHPC or a duly delegated committee.
- 6.10 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.
- 6.11 The LHPC, and any members using computers for the LHPC'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.
- 6.12 The LHPC will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly.

7 PAYMENT OF SALARIES

- 7.1 As an employer, the LHPC shall make arrangements to meet fully the statutory requirements placed on all employers by PAYE and National Insurance legislation. The payment of all salaries shall be made in accordance with payroll records and the rules of PAYE and National Insurance currently operating, and salaries shall be as agreed by LHPC.

- 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 LHPC 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 LHPC.
- 7.4 An effective system of personal performance management should be maintained for LHPC staff.
- 7.5 Any termination payments shall be supported by a clear business case and reported to the LHPC. Termination payments shall only be authorised by LHPC.
- 7.6 Before employing interim staff the LHPC must consider a business case.

8 LOANS AND INVESTMENTS

- 8.1 All borrowings shall be affected in the name of the LHPC, after obtaining any necessary borrowing approval. Any application for borrowing approval shall be approved by LHPC as to terms and purpose. The application for borrowing approval and subsequent arrangements for the loan shall only be approved by full LHPC.
- 8.2 Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase or Leasing of tangible assets) shall be subject to approval by the LHPC. In each case a report in writing shall be provided to LHPC in respect of value for money for the proposed transaction.
- 8.3 All loans and investments shall be negotiated in the name of the LHPC and shall be for a set period in accordance with LHPC policy.
- 8.4 The LHPC 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 LHPC at least annually.
- 8.5 All investments of money under the control of the LHPC shall be in the name of the LHPC.
- 8.6 All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

9 INCOME

- 9.1 The collection of all sums due to the LHPC shall be the responsibility of and under the supervision of the RFO.
- 9.2 Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the Finance and General Purposes Committee, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the LHPC.
- 9.3 The Finance and General Purposes Committee will review all fees and charges at least annually, following a report of the Clerk.
- 9.4 Any sums found to be irrecoverable and any bad debts shall be reported to the LHPC and shall be written off in the year.
- 9.5 All sums received on behalf of the LHPC shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the LHPC's bankers with such frequency as the RFO considers necessary.
- 9.6 The origin of each receipt shall be entered on the paying-in slip.
- 9.7 Personal cheques shall not be cashed out of money held on behalf of the LHPC.
- 9.8 The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

- 9.9 Where any significant sums of cash are regularly received by the LHPC, the RFO shall take such steps as are agreed by the LHPC to 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 such as ticket issues, and that appropriate care is taken in the security and safety of individuals banking such cash.

10 ORDERS FOR WORK, GOODS AND SERVICES

- 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. Copies of orders shall be retained.
- 10.2 Order books shall be controlled by the RFO.
- 10.3 All members and 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 An individual Parish Councillor may not issue an official order or make any contract on behalf of the LHPC.

11 CONTRACTS

- 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 these regulations shall 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 solicitors, accountants, surveyors and planning consultants;
 - (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 LHPC;
 - (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);
 - (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 LHPC 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 £30,000 (including VAT) or more, the LHPC shall comply with the relevant requirements of the Regulations. The Regulations requires LHPC 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.

Note: If the council do not advertise the contract but contact individual contractors directly, then the LHPC must still publicise the award of the new contract on the Contracts Finder website.

- (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 issued by the UK government.

Following the Brexit transition period, this will include the use of the new UK e-notification service, Find a Tender (FTS): <https://www.find-tender.service.gov.uk>.

Table 2: Tendering Thresholds for Contracts

Contract Type	Threshold including VAT (Pounds)
Public supply & Public Service Contracts	214,909 GDP
Public Works Contracts	5,372,609 GDP

- (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 LHPC.
- (e) Such invitation to tender shall state the general nature of the intended contract and the Clerk 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 Clerk in the ordinary course of post. 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.
- (f) All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of LHPC.
- (g) If less than three tenders are received for contracts above £25,000 or if all the tenders are identical the LHPC may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (h) Any invitation to tender issued under this regulation shall be subject to Standing Orders 18d, and shall refer to the terms of the Bribery Act 2010.
- (i) When it is to enter into a contract of less than £30,000 (including VAT) in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £10,000 (excluding VAT) and above £3000 (excluding VAT) the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- (j) The LHPC shall not be obliged to accept the lowest or any tender, quote or estimate.
- (k) Should it occur that the LHPC, or duly delegated committee, does not accept any tender, quote or estimate, the work is not allocated and the LHPC requires further pricing, provided that the specification does not change, 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.

12 PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS (PUBLIC WORKS CONTRACTS)

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of 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 LHPC.
- 12.3 Any variation to a contract or addition to or omission from a contract must be approved by the LHPC and Clerk to the contractor in writing, the LHPC being informed where the final cost is likely to exceed the financial provision.

13 STORES AND EQUIPMENT

- 13.1 Stocks shall be kept at the minimum levels consistent with operational requirements. There are only small stocks of stationery and office consumables maintained at any given time.

13.2 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

14 ASSETS, PROPERTIES AND ESTATES

14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties held by the LHPC. The RFO shall ensure a record is maintained of all properties held by the LHPC, 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 LHPC, 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, leased or otherwise disposed of without the authority of the LHPC, together with any other consents required by law. In each case a report in writing shall be provided to LHPC 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).

14.4 No real property (interests in land) shall be purchased or acquired without the authority of the full LHPC. In each case a report in writing shall be provided to LHPC 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 LHPC.

14.6 The RFO 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, possibly in conjunction with a health and safety inspection of assets.

15 INSURANCE

15.1 Following the annual risk assessment (per Regulation 17), the RFO shall effect all insurances and negotiate all claims on the LHPC's insurers.

15.2 The RFO shall keep a record of all insurances affected by the LHPC and the property and risks covered thereby and annually review it.

15.3 The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to LHPC at the next available meeting.

15.4 All appropriate members and employees of the LHPC 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 LHPC, or duly delegated committee.

16 CHARITIES

16.1 Where the LHPC is sole trustee of a Charitable body the Clerk and RFO shall ensure that separate accounts are kept of the funds held on charitable trusts and separate financial reports made in such form as shall be appropriate, in accordance with Charity Law and legislation, or as determined by the Charity Commission. The Clerk and RFO shall arrange for any Audit or Independent Examination as may be required by Charity Law or any Governing Document.

17 RISK MANAGEMENT

17.1 The LHPC is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the LHPC, risk management policy statements in respect of all activities of the LHPC. Risk policy statements and consequential risk management arrangements shall be reviewed by the Finance and General Purposes Committee at least annually.

17.2 When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the LHPC.

18 SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 18.1 It shall be the duty of the LHPC to review the Financial Regulations of the LHPC at least annually. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the LHPC of any requirement for a consequential amendment to these financial regulations.
- 18.2 The LHPC may, by resolution of the LHPC duly notified prior to the relevant meeting of LHPC, 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 LHPC.

19 Revision History

Table 3: Revision History

Version (major.minor)	Date	Author	Modifications made
Approved 1.0	8 th Apr 19	LF	Adopted at PC meeting on 8th April 2019
Draft 1.1	28 th Apr 20	LF	Addition of header page and TOC, plus further clauses from the NALC model
Draft 1.2	3 rd Sep 20	LF	Addition of references to the Council's delegation matrix, plus other minor changes.
Proposed 1.3	6 th Sep 20	SCB	LHPC Chair Edited and formatted. Technical content unchanged. For review by Finance and General Purposes Committee.
Proposed 1.4	1 st October 20	LF	Accepted by Finance and General Purposes Committee. Minor changes for tender thresholds according to the Public Contracts Directive.
Approved 1.5	12 th October 20	LF	Adopted at PC meeting on 12th October 2020.
Approved 1.6	18 th February 21	LF	Minor updates for clarity, plus the addition of the post Brexit requirement for the use of the find a tender website for large contracts. Adopted at PC meeting on 4th May 2021.
Approved 1.7	29 th March 22	LF	Minor changes for tender thresholds, plus the addition of a note for the use of the contracts finder website. Adopted at PC meeting on 9th May 2022.
Approved 1.8	13 th April 23	LF	Modification to tender thresholds and delegation to Clerk. Adopted at PC meeting on 23rd May 2023.
Approved 1.9	5 th March 23	LF	Modifications to tender thresholds. Adopted at PC meeting on 13th May 2024.

Note: The revision number should be updated every time this document is modified, significant changes should result in the major number being updated, and any other minor changes should result in the minor number being updated.