

# MELBOURN PARISH COUNCIL – FINANCE AND GOOD GOVERNANCE COMMITTEE

(District of South Cambridgeshire)

A meeting of this Committee was held on Monday, 17 October 2022, at 7.30pm in the Austen Room, Community Hub, 30 High Street, Melbourn, SG8 6DZ

Members of the public are reminded that copies of reports and supporting documentation for agenda items can be obtained from the Parish Council website, <http://melbournparishcouncil.co.uk> or on request to the Clerk

**Present:** Cllrs Cowley (Chair), Barley, Campbell, Clark, Hart, Kilmurray

**Absent:**

**In attendance:** Claire Littlewood – Parish Clerk, Gabrielle van Poortvliet – RFO

**FG018/22** To receive and approve apologies for absence

None received.

**FG019/22** To note nominations to join the Finance and Good Governance Committee

Cllrs Barley and Campbell were in attendance as new members of the Committee.

**FG020/22** To receive any Declarations of Interest and Dispensations

***Members are reminded that they are required to ensure their Declaration is updated within 28 days of any change in circumstances.***

a) To receive declarations of interest from councillors on items on the agenda

b) To receive written requests for dispensations for disclosable pecuniary interests (if any)

c) To grant any requests for dispensation as appropriate

None received.

**FG021/22** **Public Participation: (For up to 15 minutes members of the public may contribute their views and comments and questions to the Parish Council – 3 minutes per item).** Written responses to questions raised will be made by the Parish Office within 14 days of the date of this meeting.

There were none in attendance

**FG022/22** To approve the minutes of the Finance & Good Governance Committee Meeting held on 20 June 2022

To was RESOLVED to approve the minutes of the Finance and Good Governance Committee meeting held on 20 June 2022 as an accurate record.

Proposed by Cllr Clark, seconded by Cllr Hart. All in favour.

**FG023/22** To report back on the minutes of the Finance & Good Governance Committee Meeting held on 20 June 2022

FG010/22 To be discussed under FG026/22.

FG012/22 Match bookings are now being invoiced on a block booking basis

FG013/22 Full Council had approved making an application for a Unity credit card. To be discussed further at FG032/22c)

**FG024/22** To note quarterly VAT return/refund

The RFO reported that the VAT return to 30 June has been submitted. Refund of £4,841.28 received on 27 July. Return to 30 September has been submitted but refund has not yet been received.

**FG025/22** To consider a review of insurance arrangements

Signed:..... Dated:

Noted that there were some updates to the insurance cover under the policy. This resulted in an increase of £1,416.09 to an annual premium of £14,888.10.

It was RESOLVED to recommend the quotation for annual insurance premium in the sum of £14,888.10 to full Council.

Proposed by Cllr Kilmurray, seconded by Cllr Campbell. All in favour.

**FG026/22 To receive an update on the Asset Management Reserve**

Noted that at a meeting of full Council on 27 June (PC054/22), delegated authority was given to the parish office to seek quotes and award the work up to a value of £2,000. A quote for £1,500 had been received. The inspection of the Council's assets has been carried out but the report has not yet been received. To be deferred to the next meeting.

**FG027/22 To consider a review of the Financial Risk Register**

It was RESOLVED that the document (number 4.20) be renamed Financial Risk Assessment and is recommended to full Council.

Proposed by Cllr Barley, seconded by Cllr Clark. All in favour.

**FG028/22 To consider an annual review of burial fees**

Burial fees have not been increased since 2018. Noted that burial grounds in Royston and Shepreth have recently closed. This may lead to an increase in requests from non-residents.

**ACTION:** Clerk to check how many years' capacity we have in New Road Cemetery.

It was RESOLVED to maintain burial charges at current levels and to review these in September 2023.

Proposed by Cllr Kilmurray, seconded by Cllr Cowley. All in favour.

**FG029/22 To consider appointment of internal auditor for mid-year audit**

Noted that Terms of Reference for Internal Audit recommend changing auditor from time to time. Several quotes were considered. There was discussion as to the need to seek references. CAPALC are our local governing body and their internal audit service appears to offer good value at £30ph plus mileage. Members expressed confidence that CAPALC were well qualified to carry out this work. **ACTION:** Clerk to write to Canalbs to advise that we will be moving to a new internal auditor in line with our Terms of Reference for Internal Audit.

It was RESOLVED to appoint CAPALC as internal auditor for the mid-year audit without the need to seek references.

Proposed by Cllr Kilmurray, seconded by Cllr Clark. All in favour.

**FG030/22 To discuss appointing substitutes for committees (s4.d.v Standing Orders)**

Discussion as to the need to identify substitutes for committees. Noted that a member requiring a substitute to attend on their behalf would need to give 3 days' notice to the clerk and that it will be the responsibility of members to seek a substitute to attend on their behalf (it is not mandatory for a substitute to attend). The purpose of this would be avoid meetings being inquorate. To be discussed further at full Council. **ACTION:** Clerk to circulate a list of committees including membership and available seats.

**FG031/22 To consider applying for Local Council Award Scheme**

Noted that applying for the LCAS has previously been considered. Cost of making an application for Foundation level is £50 registration fee to NALC and £80 accreditation fee.

It was RESOLVED to recommend to full Council that application be made for the Local Council Award Scheme Foundation Level.

Proposed by Cllr Kilmurray, seconded by Cllr Clark.

**FG032/22 Policies: To consider and review policies as per Policy Review Schedule:**

Signed:..... Dated:

**a) To review the Policy and Procedure for Procurement of Goods and Services**

The following amendments were suggested:

- section 3.3 substitute '*reasonable endeavours...*' in place of '*best endeavours*';
- document review date to be amended to September 2024.

It was RESOLVED that the Policy and Procedure for Procurement of Goods and Services (document 4.34) as amended above be recommended to full Council.

Proposed by Cllr Clark, seconded by Cllr Hart. All in favour.

*The Chair amended the order of the agenda.*

**c) To review revised Credit Card Policy and Procedure**

There was discussion with regard to the credit limit to be applied for. Noted that the credit card will be used to make purchases where better prices may be secured online. The credit limit of £5,000 should be inserted into document 4.35 in the first paragraph, sections 1.2 and 2.3. The policy will be reviewed annually.

It was RESOLVED that the Credit Card Policy and Procedure (document 4.35) as amended above should be recommended to full Council.

Proposed by Cllr Kilmurray, seconded by Cllr Hart. All in favour.

**b) To review revised Financial Regulations**

The following amendments were suggested:

- section 6.19 first line '*... restricted to the person or persons ...*'
- section 6.20 '*The credit card limit will be £5,000 as set out in the Credit Card Policy and Procedure (document 4.35). Expenditure must be approved ....*'. Remove reference to a maximum expenditure limit.
- section 11.1.h substitute '*reasonable endeavours*' in place of '*best endeavours*'.

The importance of cross referencing related documents was noted.

It was RESOLVED that the Financial Regulations (document 4.17) as amended above should be recommended to full Council.

Proposed by Cllr Clark, seconded by Cllr Cowley. All in favour.

**d) To consider the draft Investment Strategy**

Noted that the Investment Plan for 2022/23 was being reviewed in light of recent interest rate fluctuations. The RFO presented a comprehensive overview of current and suggested investments to maximise returns. Noted that the plan should be reviewed in 6 months. Thanks were noted to the RFO for her work on this.

It was RESOLVED that the Investment Plan for 2022/23 (document 4.32) should be recommended to full Council.

Proposed by Cllr Cowley, seconded by Cllr Kilmurray. All in favour.

**e) To review revised Risk Management Policy**

Noted that this policy requires further review and should be deferred for consideration at a future meeting.

**f) To review revised updated Financial Risk Register**

Noted that this item is duplicated from FG027/22 above.

**g) To review revised Terms of Reference for Finance and Good Governance Committee**

It was RESOLVED that the Terms of Reference for Finance and Good Governance Committee (document 6.01) should be recommended to full Council as amended.

Proposed by Cllr Hart, seconded by Cllr Barley. All in favour.

**h) To review revised Terms of Reference for Melbourn Futures Working Party**

Signed:..... Dated:

Noted that in section 1.3c) reference to '*data base*' should be amended to '*database*'.

It was RESOLVED that the Terms of Reference for Melbourn Futures Working Party (document 6.11) should be recommended to full Council as amended.

Proposed by Cllr Clark, seconded by Cllr Kilmurray. All in favour.

- i) To receive any updates and consider actions

Cllr Cowley noted that he will be stepping down from F&GG Committee. A new chair will be elected at the December meeting.

**FG033/22 To note date of next meeting: 20 December 2021**

Noted that the correct date for the next meeting is **Monday, 19 December 2022.**

The meeting closed at 21:14

Signed:..... Dated:

# MELBOURN PARISH COUNCIL – FINANCE AND GOOD GOVERNANCE COMMITTEE

(District of South Cambridgeshire)

A meeting of this Committee was held on Monday, 20 June 2022, at 7.30pm in the Austen Room, Community Hub, 30 High Street, Melbourn, SG8 6DZ

Members of the public are reminded that copies of reports and supporting documentation for agenda items can be obtained from the Parish Council website, <http://melbournparishcouncil.co.uk> or on request to the Clerk

**Present:** Cllrs Cowley (Chair), Clark, Hart, Kilmurray

**Absent:**

**In attendance:** Claire Littlewood – Parish Clerk, Gabrielle van Poortvliet – RFO

**FG001/22** To receive nominations to elect a Chair of the Finance and Good Governance Committee

Cllr Cowley was nominated as Chair of the Finance and Good Governance Committee. No other nominations were received.

It was RESOLVED to accept the nomination of Cllr Cowley as Chair.  
Proposed by Cllr Clark, seconded by Cllr Kilmurray. All in favour.

**FG002/22** To receive nominations to elect a Vice Chair of the Finance and Good Governance Committee

Cllr Kilmurray was nominated as Vice Chair of the Finance and Good Governance Committee. No other nominations were received.

It was RESOLVED to accept the nomination of Cllr Kilmurray as Vice Chair.  
Proposed by Cllr Cowley, seconded by Cllr Clark. All in favour.

**FG003/22** To receive and approve apologies for absence

None received.

**FG004/22** To receive any Declarations of Interest and Dispensations

***Members are reminded that they are required to ensure their Declaration is updated within 28 days of any change in circumstances.***

- a) To receive declarations of interest from councillors on items on the agenda
- b) To receive written requests for dispensations for disclosable pecuniary interests (if any)
- c) To grant any requests for dispensation as appropriate

None received.

**FG005/22** **Public Participation: (For up to 15 minutes members of the public may contribute their views and comments and questions to the Parish Council – 3 minutes per item).**

No members of the public were in attendance.

**FG006/22** **To approve the minutes of the Finance & Good Governance Committee Meeting held on 21 March 2022**

It was RESOLVED to approve the minutes of the Finance and Good Governance Committee meeting held on 21 March 2022 as an accurate record.  
Proposed by Cllr Clark, seconded by Cllr Kilmurray. All in favour.

**FG007/22** **To report back on the minutes of the Finance & Good Governance Committee Meeting held on 21 March 2022**

Signed:..... Dated:

FG057/21 A list of assets has been provided.

FG058/21 An enquiry has been submitted to CAPALC – response outstanding. Documents required to be published are detailed in Transparency Code.

**FG008/22 To note quarterly VAT return/refund**

VAT return submitted on 31 March 2022 in the sum of £9,477.29. Refund received on 12 May 2022.

**FG009/22 To receive and consider the Internal Auditor's Year End Report**

The Internal Auditor's year end report was received. Parish office staff were thanked for their efforts throughout the year.

**FG010/22 To discuss and consider the Asset Management Reserve**

Discussion with regard to Asset Management Reserve and a system for inspecting and maintaining assets. Noted that it was important to take a proactive approach to preventative maintenance of assets to avoid costly repairs in future. Need to seek professional input as to inspection and preparation of a rolling schedule for maintaining assets. Noted that if the likely cost of maintenance is averaged out over a number of years, this will inform the amount required to be paid into the AMR annually.

**ACTIONS:**

- Clerk to seek input from other councils on similar arrangements.
- Clerk to identify and seek three quotes from companies who may be able to undertake this work.

**FG011/22 To consider an annual review of allotment rental fees**

Current allotment fees were considered in comparison to other local councils.

It was RESOLVED to maintain allotment fees at their current levels.

Proposed by Cllr Clark, seconded by Cllr Kilmurray. All in favour.

**FG012/22 To consider a review of Pavilion hire charges and match fees**

Discussion with regard to charges for similar facilities in the local area. Noted that there are possible VAT implications where matches are booked on an ad hoc basis. Suggested that block bookings would be more appropriate. Possible cost savings for users if block bookings were made based on average use for previous season. **ACTION:** Clerk to discuss with users.

It was RESOLVED that subject to users making block bookings for fixtures, match fees including use of the pavilion would remain unchanged at £35 per match.

Proposed by Cllr Hart, seconded by Cllr Clark. All in favour.

It was RESOLVED that fees for use of the New Rec (£10 per session), the Old Rec (£10 p/h up to 4 hours, capped at £40) and the Pavilion (standard: £15 p/h capped at £60, community groups and charities: £12 p/h capped at £48) would remain unchanged.

Proposed by Cllr Kilmurray, seconded by Cllr Hart.

**FG013/22 To consider recommending a credit card for use by the Parish office**

Discussion with regard to options available. **ACTION:** Clerk to seek more information on Barclaycard to be considered by full Council.

**FG014/22 To consider approving an updated Timetable for Recurring Agenda Items**

Noted that reviewing value for money in council spend falls within the Terms of Reference for F&GG and is an ongoing responsibility of the Committee throughout the year.

It was RESOLVED to amend the Timetable for Recurring Agenda Items by deleting the item to 'Review value for money in council spend'

Proposed by Cllr Clark, seconded by Cllr Hart. All in favour.

**FG015/22 To review the list of policies for publication on the website**

Signed:..... Dated:

There was discussion with regard to the relevance of certain policies currently available on the website. Noted the importance of making the Council's policies and procedures transparent to the public. **ACTION:** HR Panel to review list of policies and procedures and feedback on any that can be removed from the website.

**FG016/22 Policies: To consider and review policies as per Policy Review Schedule for recommendation to full Council:**

**a) Credit Card Policy and Procedure**

Noted that subject to credit card being approved by full Council, it would be timely to have a policy in place. Draft policy to be amended by deletion of [*and Assistant Clerk*] on page 1.

It was RESOLVED to recommend the Credit Card Policy and Procedure to full Council, as amended.

Proposed by Cllr Kilmurray, seconded by Cllr Clark. All in favour.

**b) Standing Orders for Melbourn Parish Council**

Discussion with regard to the proposed amendments to the tender process to include accepting tenders submitted by email (section 18.d.iv). Further consideration of how the process may be safeguarded but also made accessible for companies wishing to submit tenders electronically is required. The proposed amendments under sections 18.d.v, vi were agreed.

**c) Financial Regulations**

The amendment under section 6.20 was approved subject to deletion of the words [*and Assistant Clerk*].

Sections 11e) and h) (submission of tenders) require further consideration to refer the process back to revised Standing Orders..

**d) Policy and Procedure for Procurement of Goods and Services**

Revisions to procurement and tendering process to be detailed in Policy and Procedure for Procurement of Goods and Services with Standing Orders and Financial Regulations to cross reference this document.

**e) Confidential Authorised Signatory List**

Noted typo correction required to Cllr Cowley's details.

It was RESOLVED that subject to the correction noted, the CONFIDENTIAL signatories list should be recommended to full Council for approval.

Proposed by Cllr Hart, seconded by Cllr Kilmurray. All in favour.

**f) Gifts and Hospitality Policy**

It was RESOLVED that the Gifts and Hospitality Policy should be recommended to full Council for approval.

Proposed by Cllr Cowley, seconded by Cllr Clark. All in favour.

**g) Model Publication Scheme**

Noted that the wording '*subject to a minimum of £1*' should be added at the end of section 4.1. In section 4.3 the words '*based on the actual cost of photocopying*' should be deleted. In the Schedule of Charges, reference to disbursement costs should refer to 'Actual cost' in the third column of the table.

It was RESOLVED that subject to the amendments noted above, the Model Publication Scheme would be recommended to full Council for approval.

Proposed by Cllr Kilmurray, seconded by Cllr Clark. All in favour.

**h) Terms of Reference for the MCCR**

Signed:..... Dated:

Discussion with reference to necessity for ongoing Terms of Reference of the MCCR since the group was wound up.

It was RESOLVED to recommend to full Council that the Terms of Reference for the MCCR be archived as the group is no longer active.

Proposed by Cllr Clark, seconded by Cllr Hart. All in favour.

**FG017/22 To note date of next meeting:** 19 September 2022

The date of the next meeting was noted as Monday, 19 September 2022.

The meeting closed at 21:38

Signed:..... Dated:



**MELBOURN PARISH COUNCIL**

**Finance and Good Governance Committee**

**Insurance review**

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Cover for the following items have increased:

- Increasing cover to Walls and Fences section by £50,000 to cover iron gates at New Road Cemetery
- Business interruption adjusted to £15,000
- Loss of rent receivable (Littlehands) – £26,000pa
- Increase cover to car park (damage to surface) to £61,216. *I have requested that this is covered on first loss basis as it is unlikely that we will need to repair/replace the entire car park surface in one go. BHIB are awaiting confirmation from insurers.*
- Increased cover for new play equipment at The Moor
- *Cemetery wall is covered for £500,000. Again, I have requested that this is covered on first loss basis up to £250,00 as it is unlikely that the wall will need to be replaced in its entirety. Awaiting confirmation from insurers.*
- Property reinstatement values in the policy are index linked so have increased since last year.

Premium for 2021/22 - £13,472.01

**Premium for 2022/23 with adjustments as set out above £14,888.10\***

\*If there is agreement of first loss on items above, there may be a refund of premiums due.

## Invoice

Invoice Number:	LCO02385-700901
Invoice Date:	03 October 2022
Policyholder Name:	Melbourn Parish Council
Policyholder Address:	30 High Street Melbourn Royston Cambridgeshire SG8 6DZ
Policy Number:	LCO02385
Effective Date:	04 October 2022
Description:	Local Councils Insurance Renewal
Premium:	£13,292.95
Insurance Premium Tax:	£1,595.15
Fee:	£0.00
Total Premium Due:	£14,888.10
Terms of Payment:	In advance of your renewal date (see above)

### Payment Methods:

During the current lockdown, our offices are not always attended daily. So as to avoid any delays in processing your renewal, we would ask that you please either make payment by credit/debit card or BACS/automatic transfer, rather than by cheque. If you are unable to make payment, other than by cheque, please email or call us to let us know that a cheque has been sent to the office, noting your policy number, the amount paid and the date you posted this to us.

You can now make premium payments quickly and securely online, via our BHIB Self Service Portal. Please refer to our recent email communications detailing the registration and access process. If you need any assistance getting started, please email or call the team and we will be happy to help.

Email: [enquiries@bhibaffinities.co.uk](mailto:enquiries@bhibaffinities.co.uk)

Phone: 0330 013 0036

1. Payment by credit/debit card – please access our online BHIB Self Service Portal, or call BHIB on 0330 013 0036 and have your card details ready
2. Payment by BACS/automatic transfer – please arrange payment to:  
BHIB Ltd - Account No 01100742 – Sort Code 56-00-60 quoting your policy number (see above) as the reference
3. Payment by cheque – please make cheques payable to BHIB Ltd and forward to BHIB Ltd, AGM House, 3 Barton Close, Grove Park, Enderby, Leicester LE19 1SJ, quoting your policy number (see above) on the reverse

### **BHIB Leicester**

AGM House, 3 Barton Close,  
Grove Park, Enderby, Leicester LE19 1SJ

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[www.bhibcouncils.co.uk](http://www.bhibcouncils.co.uk)

**Melbourn Parish Council  
Financial Risk Assessment 2022-23**

**Doc. No. 4.20  
Review date: September 2023**

<b>Risk No.</b>	<b>Description (the risk is that...)</b>	<b>Impact (the impact on MPC would be...)</b>	<b>Likelihood Score (1-3)</b>	<b>Impact Score (1-3)</b>	<b>Risk Rating (High, Medium, Low)</b>	<b>Response (what actions have been taken/are in progress)</b>
F1	Expenditure is incurred or grants awarded without proper legal authority	Potential for complaints, fines, qualified audit report	1	2	Low (2)	Qualified staff. Record of power under which grants are awarded is minuted.
F2	The PC has insufficient General Reserves so is at risk if precept is not paid on time	Inability to provide services or pay staff salaries and other contractual liabilities	1	3	Medium (3)	MPC holds 6 months of running costs in general reserve in line with its Reserves Policy.
F3	An adequate record of the Council's assets is not maintained	Potential theft or misappropriation of assets Assets could fall into disrepair. Assets may be inadequately insured	1	3	Medium (3)	Asset register in place, regularly updated and reviewed annually. Periodic inventory checks carried out. Insurance cover linked to asset register. Professional insurance valuation of buildings undertaken 2021 and repeated every 5 years.
F4	The PC has insufficient money ring-fenced in Asset Management Reserves	Assets could fall into disrepair. Potential H&S concerns as well as adverse service delivery and rental income impact.	2	3	High (6)	Full asset register in place. Ongoing maintenance spend requirements included in precept. MPC is building up the Asset Management Reserve and linking it to a professionally determined asset renewal programme.  Maintenance Committee prioritise and monitor maintenance spend monthly.
F5	Cash is lost through theft/misappropriation	Funding shortfall Adverse publicity	1	1	Low (1)	Limited cash held and banked promptly. Controls over dealing with cash.

**Melbourn Parish Council  
Financial Risk Assessment 2022-23**

**Doc. No. 4.20  
Review date: September 2023**

						Small petty cash float. Petty cash procedure. Fidelity Guarantee (insurance).
F6	Failure to ensure proper use of funds under S137	Total S137 expenditure could exceed statutory limit for MPC	1	1	Low (1)	Qualified Clerk. Powers for grant approvals minuted.
F7	Proper financial records are not kept	Inadequate understanding of financial position of the authority. Potential qualified audit.	1	3	Medium (3)	RFO in place. Regular finance reports submitted at meetings. Two internal audit visits per year.
F8	Poor Financial Management	MPC could run out of funds before the financial year end. Risk to service delivery.	1	3	Medium (3)	RFO in place. Regular budget progress reports/monitoring. Reserves of 6 mths running costs.
F9	Failure to set a precept within sound budgeting arrangements.	Inadequate funds to effectively carry out planned services. Unjustified precept charge to parishioners.	1	3	Medium (3)	RFO in place. Rigorous precept setting process followed. Adequacy of reserves considered when setting precept. Regular budget monitoring throughout the year.
F10	Failure to allow for impact of high inflation on precept	Inadequate budget to effectively carry our planned services	2	2	Medium (3)	Best estimate inflation built into precept. Draft precept reviewed by FGGC and MPC. Reserves in place.
F11	Failure to maintain an effective bank payments system	Loss of funds from bank due to staff error or fraud.	1	2	Low (2)	Controls in place over bank payments – proper separation of duties. All payments approved by council and minuted. Review of bank reconciliations by MPC member. Regular budget monitoring. Fidelity Guarantee (insurance)
F12	Loss of funds due to bank failure	Any funds above FSCS guarantee limit could be lost. Impact on ability to deliver services and projects and meet contractual payments.	1	3	Medium (3)	Investment policy in place. Guarantee limit of £85k per financial institution. Spread of investments among different financial institutions.

**Melbourn Parish Council  
Financial Risk Assessment 2022-23**

**Doc. No. 4.20  
Review date: September 2023**

F13	Failure to collect income from customers	Funding shortfall which needs to be met from elsewhere.	1	1	Low (1)	Responsibility for collection of debts defined – separation of duties. Budget monitoring. Procedures to chase outstanding debts.
	Loss of tenant for Little Hands Nursery building	Funding shortfall which needs to be met from elsewhere.	1	3	Medium (3)	Longstanding tenant. Reserves of 6 months to cover any income shortfall.
F14	Claims will be made on insurance due to accidents in, on or around Council property (includes maintenance of public open spaces)	Failure in duty of care to parishioners Adverse publicity Increased insurance premiums	2	2	Medium (4)	Wardens regularly inspect and repair assets. Cllr inspections. Maintenance Committee oversees and monitors. Process over awarding of major Maintenance Contracts. Risk assessments carried out. Public Liability Insurance held.
F15	New employees in key officer roles	Loss of funds through staff error or fraud	1	2	Low (2)	Staff continuity in key officer roles. Recruitment processes and references. Separation of staff duties/RFO separate from Clerk. Internal controls in place over bank payments and cash handling. Staff training and performance reviews. Fidelity guarantee (insurance)
F16	Melbourn Community Hub Management Committee might not be able to make the Hub financially viable.	The Hub might need to be managed and run by MPC. Potential adverse impact on reserves and increase in precept	1	3	Medium (3)	MPC works closely with the Hub Management Group and several Cllrs are directors. Finance reports provided to MPC. Financial assistance via grant given by MPC.
F17	SCDC and CCC are unable to perform their delegated tasks and these get pushed down to Parish Council level	The Precept would need to be increased to enable MPC to carry out additional duties	2	3	High (6)	MPC works closely with its District and County Cllrs and should get warning of any proposed changes so that it can make appropriate plans. MPC must continue to do this (Action).

**Melbourn Parish Council  
Financial Risk Assessment 2022-23**

**Doc. No. 4.20  
Review date: September 2023**

F18	Damage or loss by fire, weather or vandalism of Councils assets	Potential adverse service disruption and unbudgeted outlay for replacements/repairs	2	2	Medium (4)	Insurance policy is linked to MPC's asset register. Wardens and regular Maintenance Contractors report damage to assets. Asset inspections programme. Risk assessments and fire prevention measures in place.
F19	Lack of financial controls when appointing contractors and lack of monitoring of contractors following appointment	MPC may not get the best value from its contractors and may not get the service that it has paid for. Contractors may go out of business with an adverse impact on services.	2	2	Medium (4)	Policy for appointment & management of contractors. Policy includes financial checks. The Financial Regulations have controls around tender procedures and quotes. Maintenance Committee/Clerk monitors contractor performance.
F20	Inadequate financial controls around ordering goods and services	The Council may not get best value for goods and services and may commit to expenditure without the necessary budget being available	1	3	Medium (3)	Financial Regulations/Standing Orders detail procedures for authorisation of orders. It is potentially a disciplinary offence not to follow Financial Regulations. MPC policy for awarding contracts.
F21	Loss of Financial Records.	Inability to access financial information. Failure to meet statutory requirements regarding record keeping.	1	3	Medium (3)	Financial accounting system is on a cloud-based system that is backed up remotely. Computerised finance records are regularly backed up.
F22	Investments made by MPC lose money	The council would have to make the shortfall up from elsewhere	1	3	Medium (3)	Investment strategy in place – low risk investments made and reviewed annually.
F23	Inadequate controls over salaries and associated costs	Salaries paid incorrectly or fraudulently. Incorrect deductions made and potential fines by HMRC	1	2	Low (2)	HR Panel approve salary budget. Amendments to pay rates/hours are approved by HR/MPC. Signatories check salary amounts paid. Budget monitoring. Payroll software package used for deductions and returns to HMRC.

**Melbourn Parish Council  
Financial Risk Assessment 2022-23**

**Doc. No. 4.20  
Review date: September 2023**

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Likelihood Scores	Impact Scores	Risk Rating Scores (Likelihood x Impact)
Low (unlikely) = 1 Medium (possible) = 2 High (highly likely) = 3	Low (negligible) = 1 Medium (moderate) = 2 High (Severe) = 3	Low = 1,2 Medium = 3, 4 High = 6,9



**Document Approval:**

**(Chair to Melbourn Parish Council)**

**Date of Parish Council meeting: 24 October 2022**

*Review Policy: Every 12 months*

# MELBOURN PARISH COUNCIL

## **POLICY and PROCEDURE:                    PROCUREMENT OF GOODS AND SERVICES**

**PURPOSE:** The purpose of this policy is to provide guidance on the factors that will be taken into account when purchasing goods and services. Melbourn Parish Council (the Council) follows the National Association of Local Councils (NALC) Procurement Toolkit published in April 2015 and its own internal Financial Regulations and Standing Orders.

**SCOPE:** This policy aims to give effect to and comply with Section 135 of the Local Government Act 1972 and the Public Contracts Regulations 2015. The Council is guided by the National Association of Local Councils Legal Topic Note 87 (March 2022)

### **1. Introduction**

1.1. Every contract engaged by the Council or person acting on its behalf must comply with this Procurement Policy, the Council's Standing Orders and Financial Regulations.

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

1.3. At the start of any procurement process it is essential that the authorised person leading the procurement project must liaise with the Clerk to clearly identify the need and fully assess the options for meeting those needs. Procurement Checklist (appendix 1).

1.4. A Contract is an agreement between the Council and an individual or organisation for the individual or organisation to provide works, goods or services (including the engagement of consultants) for which the Council will provide consideration and or payment.

1.5. The following contracts are exempt from the requirements of these rules:

1.5.1. Contracts relating solely to the disposal or acquisition of land

1.5.2. Employment contracts and temporary staff/independent service providers.

1.6. Officers and Councillors and agents involved in the awarding of a Contract on behalf of the Council must ensure that best value is obtained and is not limited to only the financial consideration.

1.7. Exceptions from any of the following provisions of these Contract Procurement Rules may be made under the direction of the Council where they are satisfied that the exception is justified in special circumstances. Every exception and reason shall be minuted and recorded.

1.8 A councillor is not permitted to issue a verbal order, an official written order or make any contract or commitment on behalf of the Council.

1.9 All quotes must be received by the Clerk.

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### 2. Operational Contracts and Routine Services

2.1. For routine works (including those listed below), the Council may have existing contracts in place for supply of goods and services.

- 2.1.1. Service Engineers
- 2.1.2. General builders
- 2.1.3. Grass and Hedge Cutting contractors/Tree Surgeons.
- 2.1.4. Groundworkers
- 2.1.5. Playground repairs
- 2.1.6. Memorial masons
- 2.1.7. IT support
- 2.1.8. Plumbing and Heating Engineers
- 2.1.9. Vehicle and machinery service engineers
- 2.1.10. Office supplies and other consumables
- 2.1.11. Routine Maintenance
- 2.1.12. Cleaning and general housekeeping

However, for any new expenditure, the Council will seek quotations as set out in its Financial Regulations.

### 3. Procurement Thresholds

#### 3.1. Contracts/Purchases Below £1,000\*

For works and purchases below £1,000, the Clerk or Assistant Clerk shall obtain 2 quotations. Where it is not possible to obtain 2 quotations, this will be brought to the attention of the relevant Committee or full Council.

#### 3.2. Contracts Between £1,000 and £3,000\*

Efforts shall be made to find the best price and quality and the Clerk or Assistant Clerk shall obtain 3 quotations. Where it is not possible to obtain 3 quotations, this will be brought to the attention of the relevant Committee or full Council.

#### 3.3. Contracts Between £3,000 and £25,000\*

The Clerk or Assistant Clerk shall use reasonable endeavours to obtain 3 quotations from suitable individuals or organisations. Where it is not been possible to obtain 3 quotations, this will be brought to the attention of full Council.

\*(See Financial Regulations, section 11.h)

#### 3.4. Contracts Above £25,000 (Procedures led by Legislation) as per below:

3.4.1. A public notice must be made setting out the particulars of the contract and inviting persons/companies to apply for the opportunity to tender. This is for a period of at least 10 days.

3.4.2. Every written contract shall specify:

- The work, materials, matters or things to be furnished, had or done:
- The price to be paid, with a statement of discounts or other deductions (if any)

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- The time or times within which the contract is to be performed.

3.4.3 Every contract which exceeds £25,000 and is either for the execution of work or the supply of goods or materials shall provide for payment of liquidated damages by the contractor in case the terms of the contract are not performed.

3.4.4 Contracts over the value of £25,000 shall comply with Articles 109 to 114 of the Public Contracts Regulations 2015 as explained in NALC Legal Topic Note 87 regarding the advertising of contracts and the use of the 'contract finder' website.

### **4. Quote/Tender Procurement Process Steps**

4.1. An issue is identified.

4.2. The issue is discussed at the relevant Committee and either the Clerk is instructed, or a Working Party assembled, to investigate the issue and possible solutions.

4.3. Recommendations are brought back to the relevant Committee and a set of specifications are created to send out for quote or tender.

4.4. Indicative quotes are sought and the budget is set.

4.5. Once the budget is approved the specifications agreed at the relevant Committee above can be issued for quotes and tenders.

4.6. Final quote or tender is approved by the relevant Committee.

### **5. Submission of tenders Procedure for Contracts above £25,000**

5.1. The invitation to tender shall state the general nature of the intended contract. Where appropriate, the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases.

5.2. The invitations shall set out the procedure for submission of tenders (tenders must be addressed to the Clerk at the council office address and submitted in either hardcopy in a sealed envelope or by email. All tenders must clearly state the specific reference and title of the tender on the outside of the envelope or in the email heading. No quotes or tenders can be submitted directly to Councillors.

5.3. Each tendering firm shall be given clear instructions on how tenders must be submitted and the prescribed date for opening tenders for the contract.

5.4. The tenders are commercially sensitive and shall be kept in the custody of the Clerk until the time and date specified for their opening.

5.5. Tenders shall be opened by the Clerk or Assistant Clerk and in the presence of at least one councillor.

5.6 Where an insufficient number of tenders is received, the Chair of the Council or relevant Committee may consider extending the tender deadline. In this case, all tenders received shall be opened simply for the purpose of identifying the company so that they can be advised of the extended deadline. Tenders will then be resealed and kept securely until after the extended deadline.

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## 6. Acceptance of Quotations and Tenders

6.1. Tenders should be scored against a predetermined weighted list of requirements agreed by the Working Party/Committee as part of the procurement process before tenders are received. The basis of this exercise shall be explained in any invitation to tender documentation. Any omission or question raised by the Council or the contractor will be made available to all the tenderers.

6.2 No negotiation on contracts whose value is more than £25,000 can take place without reference to the Chair of the Council and Chair of Finance and Good Governance Committee. Any negotiations which would distort competition is expressly forbidden.

## 7. Signing and Sealing of Contracts

7.1. Every successful quotation/tender shall be accepted in writing (including email), by the Clerk.

## 8. Nominated Sub-Contractors and Suppliers

8.1. Where the Council contracts with a sub-contractor or supplier to a main contractor, the procurement of the services of the sub-contractor or supplier shall be subject to these Contract Procedure Rules.

## 9. Contracts Record

9.1. A record of all contracts over £25,000 placed by the Council shall be recorded and filed in the Council offices.

9.2. This record shall specify for each contract the name of the contractor, the works to be executed or the goods or services to be supplied, the contract value and the contract period.

9.3. It is the responsibility of the appointed person authorising the contract to ensure that an accurate record is maintained and filed.

## 10. Prompt Payment of Invoices

10.1. The Council understands the importance of paying suppliers promptly and will always pay within the terms of payment agreed. All payments are to be made by Bank Transfer within the Council's Bank terms and conditions.

## 11. Contract Management

11.1. For each contract, an assessment of project management requirements and provision must be made. Project management must be performed as appropriate to the work being undertaken and for projects over £25,000 should be performed by suitably qualified personnel.

## 12. Contract Variations

10.1 Any necessary instructions to vary a contract shall be made in writing by the Clerk or persons responsible for supervising the contract.

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10.2 Where a variation occurs during the currency of the contract that is material and cannot be met from within the original contract sum an immediate report shall be made to the Council who shall decide what further action is necessary.

### **13. Termination of contracts**

13.1. The Council reserves the right to terminate any contract immediately for breach of contract or other valid reason(s).

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**Table 1**

Contract Value (net of VAT) and Level of Legal Requirements

• Up to £25,000:	requirements as per the Council's Standing Orders and Financial Regulations
• Over £25,000:	use of the Contract Finder website and other light touch rules in the Public Contracts Regulations 2015 ("the 2015 Regulations")
• Over £181,303:	Include other detailed and complex requirements in the 2015 Regulations.

**Document Approval:**

**Chair to Melbourn Parish Council)**

**Date of Parish Council Meeting:**

*Review Policy: Every 24 months*

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# MELBOURN PARISH COUNCIL

## APPENDIX 1

### PROCUREMENT CHECKLIST

This checklist provides a summary of the processes required to buy goods and services and embark on capital contracts.

It must be used in conjunction with Standing Orders, Financial Regulations, our financial procedures and best practice.

**Estimated contract value threshold and procedure to follow (see section 11 - Financial Regulations):**

#### **Contracts/Purchases Below £5,000**

For goods and services below £5,000, every opportunity will be sought to find the best price and quality. See section 4 of our Financial Regulations for guidance budgetary control and authority to spend. Best practice recommends two quotations - **follow pre tender stage of this checklist**

#### **Contracts between £5,000 and £25,000**

Efforts should be made to seek quotations from at least three suitable suppliers – **follow pre tender and tender stage of this checklist**

**Contracts above £25,000** (Procedures led by Legislation – Opportunities to be advertised on Contracts Finder website) - **follow all points on this checklist**

#### **WHAT TO CONSIDER AT THE PRE TENDER STAGE**

- This is our residents' money
- What do we want to achieve?
- What happens if we do nothing?
- Is this planned expenditure / budgeted for?
- Is it a priority?
- Is there a timeline for this project/expenditure?
- Who have we consulted? Maintenance Committee, staff, members of the public?
- Consultation – engagement, feedback, who will benefit?
- Consider all related costs and resources required now and in the future.
- What do standing orders and financial regulations say we have to do?

#### **TENDER STAGE – Lawful, Fair, Open, No Discrimination**

- After Approval In Principle
- Refer to and FOLLOW Council Standing Orders (Section 18 – Financial Controls and Procurement)
- Financial Regulations (Sections 10,11 and 12)
- Establish a plan and identify who is responsible to oversee
- How long will it take to complete the project?
- What is the Specification & Evaluation Criteria – what is critical / important
  - How will we measure bids
  - No hidden criteria and no changes
  - Ask for References/Investigate other projects
- Estimated Value of Contract – What is legally required for this value?

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- Advertise
- Consult other Parishes and Councils, if appropriate.
- How will the contract be managed – project manager/MPC Maintenance Committee/Clerk?
- Contracts Finder Portal – see [www.gov.uk/contracts-finder](http://www.gov.uk/contracts-finder).

### **ACTION : INVITATION TO TENDER**

#### **EVALUATING TENDERS – Commercially Sensitive, Fair, Consider Professional Advice**

- Receiving Tenders – (see Standing Orders s.18d)
- Decide who can evaluate tenders – [Maintenance Committee/full Council]
- Use a scoring matrix
- Be prepared to answer questions from suppliers/contractors
- Ensure all contractors / suppliers are sent the same information
- Do not share any added value options provided by a supplier/contractor
- DO NOT introduce any additional criteria – illegal
- DO NOT accept any late tenders
- Always give feedback on unsuccessful tenders

### **AWARD CONTRACT**

#### **CONTRACT MANAGEMENT**

- Identify who will be involved in overseeing the procurement process
- Who will monitor and how to measure success of the contract?
- Make sure the Council and the Contractor understand who is responsible for what;
  - Agree a delivery plan – dates, outcomes and responsibilities
  - Agree a review and end date
  - Set a timetable for regular meetings
  - Agree the criteria for monitoring contract
  - Agree a process for resolving disputes - penalties
  - Understand what triggers payment
  - Sign the Contract
  - Make payment

#### **REVIEW AND EVALUATE - ONGOING**

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**POLICY AND PROCEDURE : Credit Card**

**PURPOSE: Melbourn Parish Council recognises that cost savings may be made by purchasing some goods online. The vast majority of online purchases require payment by either credit or debit card. MPC's prepaid debit cards are best suited to purchases of relatively low value so that the agreed balance on the cards is not exceeded and the cards do not require constant topping up. Therefore, Melbourn Parish Council authorises the use of a Parish Council credit card, by designated individuals, for online purchases. The expenditure must be approved Parish Council expenditure and must not exceed a maximum balance of £5,000.**

**1. Card Holder**

- 1.1. A credit card will be issued for the Parish Office (for use by the Clerk). No other individuals may use the card.
- 1.2. The limit on the credit card, agreed by the Parish Council, is currently £5,000.

**2. Spending Procedures**

- 2.1. The credit card can be used for approved Parish Council expenditure only. The credit card must not be used for non-Parish Council or personal expenditure.
- 2.2. Cash withdrawals are not permitted on the credit card.
- 2.3. Purchases on the credit card must comply with the approval limits set out in the Council's Financial Regulations. Purchases up to £200 can be made under the Clerk's delegated authority for items required for the Parish Office or to carry out their statutory duties. Expenditure over £200, or not relating to the Parish Office or statutory duty, must be approved by the Clerk and Chair of the Council, or



appropriate committee, before the purchase is made. Expenditure is limited to a maximum of £5,000 in any single transaction.

- 2.4. Receipts or invoices must be kept for every credit card transaction for approval by the RFO. The Clerk and Assistant Clerk are responsible for obtaining and submitting receipts.
- 2.5. The RFO will check receipts against the credit card statements and will investigate any discrepancies.
- 2.6. The RFO will be responsible for carrying out the monthly reconciliation of the credit card. The credit card balance will be cleared automatically in full each month.
- 2.7. Details of credit card transactions will be reported at the next Parish Council meeting.

### **3. Card Security**

- 3.1. The Parish Office card must be kept in the Parish Office. If it is necessary to take the card from the Parish Office to make a purchase, the card must be signed out and returned as soon as possible after the purchase has been made.
- 3.2. The credit card PIN number must be kept confidential at all times. Unauthorised individuals will not be permitted to use the cards.
- 3.3. Lost and stolen cards must be reported to the card issuer immediately upon discovery that it is missing. The RFO must also be informed immediately and will, in turn, advise the Chair.

3.4. The Clerk and RFO must have suitable access to the on-line credit card account (capable of adding and removing users, blocking cards and reporting lost and stolen cards).

3.5. In the event of termination of a card holder's employment, the RFO will immediately inform the card issuer with a request that a new card is issued.

#### 4. Misuse of a Credit Card

4.1. If a cardholder misuses or fraudulently uses the credit card this may result in disciplinary action.

4.2. Failure of provide a receipt may result in the card holder being held liable to repay this sum.

Document Approval:



(Chair to Melbourn Parish Council)

Date of Parish Council meeting: 24 October 2022

Review Policy: Every 12 months

**Financial Regulations [England]**

**(based on NALC Model Financial Regulations [England])**

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These Financial Regulations were adopted by the Council at its Meeting held on 25 November 2019

## 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 orders<sup>1</sup> 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
  - 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.
- 1.6. Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 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.
- 1.8. The Responsible Financial Officer (RFO) holds a statutory office to be appointed by the council.
- 1.9. The RFO;

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<sup>1</sup> Model standing orders for councils are available in Local Councils Explained © 2013 National Association of Local Councils

- 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, 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 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 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; 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 (if practical) 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 duly constituted 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.
- 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. The Council shall review its three year forecast of revenue and capital receipts and payments. Having regard to the forecast, it shall thereafter formulate and submit proposals for the following financial year to the council not later than the end of December each year including any proposals for revising the forecast.
- 3.2. 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 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 over £5,000 excluding VAT;
  - a duly delegated committee of the council for items over £500 up to £5,000
  - the Clerk, in conjunction with Chair of Council or Chair of the appropriate committee, for any items below £500. However, expenditure up to £1,000 may be authorised by the Clerk in circumstances outlined in 4.5 below.
  - On items required for the Parish Office or to allow them to carry out the functions of the parish office, the Clerk shall be allowed to spend up to **£200 excluding VAT** without prior approval of the Council.
  - For items of budgeted expenditure on the Hub, the Clerk and Chair (provided the Chair is not director of the Hub Management Group) up to £1,000. For items of expenditure relating to emergency maintenance, the Clerk and Chair up to £1,000 provided retrospective approval of full Council is obtained.

Such authority is to be evidenced by a minute, email or invoice duly signed by the Clerk, and where necessary also by the appropriate Chair.

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.
- 4.4. The salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by an email confirming such review by the Chair of HR Panel. The RFO will inform committees of any changes impacting on their budget requirement for the coming year in good time.
- 4.5. In cases of risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement it is necessary to carry out. Such expenditure includes repair, replacement or other work, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1,000. 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 regularly provide the council 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 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. Changes in earmarked reserves shall be 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.
- 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 Full Parish Council. The council 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 RFO to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the council.
- 5.4. The RFO shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading. The RFO shall take all steps to pay all invoices submitted, and which are in order, at the next available council meeting.
- 5.5. The Clerk and RFO shall have delegated authority to authorise the payment of items only in the following circumstances:

- a) If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of council, where the 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 council [or finance committee];
  - b) An expenditure item authorised under 5.6 below (continuing contracts and obligations) provided that a list of such payments shall be submitted to the next appropriate meeting Finance and General Committee or
  - c) fund transfers within the councils banking arrangements up to the sum of £10,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
- 5.6. 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 council 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 Finance and General.
- 5.7. A record of regular payments made under 5.6 above shall be drawn up and be signed by two members on each and every occasion when payment is authorised - thus controlling the risk of duplicated payments being authorised and / or made.
- 5.8. In respect of grants a duly authorised committee shall approve expenditure within any limits set by council and in accordance with any policy statement approved by council. Any Revenue or Capital Grant in excess of £5,000 shall before payment, be subject to ratification by resolution of the council.
- 5.9. Members are subject to the Code of Conduct that has been adopted by the council 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.
- 5.10. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible overtime.
- 5.11. Any changes in the recorded details of suppliers, such as bank account records, shall be authorised by 2 Members.

## **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, the Clerk or RFO shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council.
- 6.4. Cheques or orders for payment drawn on the bank account in accordance with the schedule as presented to council or committee shall be signed by two member[s] 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. 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. Cheques or 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 at the next convenient meeting.
- 6.7. 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 and any payments are reported to council as made. The approval of the use of a variable direct debit shall be renewed by resolution of the council at least every two years.
- 6.8. 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. The approval of the use of a banker's standing order shall be renewed by resolution of the council at least every two years.
- 6.9. If thought appropriate by the council, 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. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 6.10. If thought appropriate by the council payment for certain items may be made by internet banking transfer provided evidence is retained showing which members approved the payment.
- 6.11. Where a computer requires use of a personal identification number (PIN) or other password(s), for access to the council's records on that computer, a note shall be

made of the PIN and Passwords and shall be handed to and retained by the Chairman of Council in a sealed dated envelope. This envelope may not be opened other than in the presence of two other councillors. After the envelope has been opened, in any circumstances, the PIN and / or passwords shall be changed as soon as practicable. The fact that the sealed envelope has been opened, in whatever circumstances, shall be reported to all members immediately and formally to the next available meeting of the council. This will not be required for a member's personal computer used only for remote authorisation of bank payments.

- 6.12. No employee or councillor shall disclose any PIN or password, relevant to the working of the council or its bank accounts, to any person not authorised in writing by the council or a duly delegated committee.
- 6.13. 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.
- 6.14. 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.
- 6.15. Where internet banking arrangements are made with any bank, the Clerk or RFO 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.
- 6.16. 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 a very serious matter under these regulations.
- 6.17. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by the Clerk and a member. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Council and are set out in the Policy and Procedure for Prepaid Debit Cards. Transactions and purchases made will be reported to the Council and authority for topping-up shall be at the discretion of the Clerk or RFO.
- 6.19. Any pre-paid debit card issued will be specifically restricted to the person or persons authorised to use it and will also be restricted to a single transaction maximum value of £200 unless authorised in accordance with the Council's Policy and Procedure for Prepaid Debit Cards.
- 6.20. A corporate credit card in the name of Melbourn Parish Council will be specifically

restricted to use by the Clerk and shall be subject to automatic payment in full at each month-end. The credit card limit will be £5,000, as set out in the Credit Card Policy and Procedure (document 4.35). Expenditure must be approved in advance by Council and shall be in accordance with the Council's Policy and Procedure for Credit Cards. Personal credit or debit cards of members or staff shall not be used under any circumstances.

- 6.21. The RFO may provide petty cash to officers for the purpose of defraying operational and other expenses. Receipts for payments made shall be forwarded to the RFO with a claim for reimbursement in accordance with the Policy and Procedure for Petty Cash.
- a) The RFO may maintain a petty cash float of up to £30 for the purpose of defraying operational and other expenses. Receipts for payments made from petty cash shall be kept to substantiate the payment. The maximum amount that can be repaid from petty cash is £10.
  - b) Income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.
  - c) Payments to maintain the petty cash float shall be shown separately on the schedule of payments presented to council under 5.2 above.

## **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. 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.
- 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 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.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record. This confidential record is not open to inspection or review (under the Freedom of Information Act 2000 or otherwise) other than:
- a) by any councillor who can demonstrate a need to know;
  - b) by the internal auditor;
  - c) by the external auditor; or

- 7.5. by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.6. The total of such payments in each calendar month shall be reported 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.
- 7.7. An effective system of personal performance management should be maintained for the senior officers.
- 7.8. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.9. Before employing interim staff the council must consider 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 (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 with the council's banks for the sending of a copy of each statement of account to the Chairman of the council at the same time as one is issued to the Clerk or RFO.
- 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 council policy.
- 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).

## **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. Particulars of all charges to be made for work done, services rendered or goods supplied shall be agreed annually by the council, notified to the RFO and the RFO shall be responsible for the collection of all accounts due to the council.
- 9.3. The council 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 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 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 council.
- 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 council, the RFO shall take such steps as are agreed by the council 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.
- 9.10. 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**

- 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. A member may not issue an official order or make any contract on behalf of the council.
- 10.5. The RFO 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**

- 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 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 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 Regulations<sup>2</sup>.
  - 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

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<sup>2</sup> 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

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)<sup>3</sup>.

- 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 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 or email. Each tendering firm shall be invited to submit their tender in a marked sealed envelope and which shall remain sealed until the prescribed date for opening tenders for that contract. Tenders submitted by email should clearly state the specific reference and title of the tender in the email heading.
- f. All sealed tenders shall be opened by the Proper Officer, after the deadline for submission of tenders has passed, at a council or committee meeting at least one week before consideration by Councillors.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders 18 c-f, <sup>4</sup> and shall refer to the terms of the Bribery Act 2010.
- h. When it 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 such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the Clerk or RFO shall use their reasonable endeavours to obtain 3 quotations (priced descriptions of the proposed supply). If fewer than 3 tenders have been received by the deadline, the Chair of the Council or of the relevant Committee will consider extending the tender deadline as set out in Policy and Procedure for Procurement of Goods and Services (document 3.34) and Policy and Procedure for the Appointment of Contractors (document 4.22);
- i. where the value is below £3,000 and above £1,000 the Clerk or RFO 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, 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.

<sup>3</sup> Thresholds currently applicable are:

- a. For public supply and public service contracts 209,000 Euros (£164,176)
- b. For public works contracts 5,225,000 Euros (£4,104,394)

<sup>4</sup> Based on NALC's model standing order 18d in Local Councils Explained © 2013 National Association of Local Councils

## **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 council.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the council and Clerk 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 officer in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2. 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.
- 13.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4. 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 council. The RFO 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 £1,000.

- 14.3. No real property (interests in land) shall be sold, leased or otherwise disposed of without the authority of the council, together with any other consents required by law. In each case a report in writing 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).
- 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 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 with a full business case.
- 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 council's insurers.
- 15.2. The RFO shall keep a record of all insurances effected by the council 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 council at the next available meeting.
- 15.4. All appropriate 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. CHARITIES**

- 16.1. Where the council is sole managing 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 council is responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the council, risk management policy statements in respect of all activities of the council. Risk policy statements and consequential risk management arrangements shall be reviewed by the council 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 council.

## **18. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS**

- 18.1. It shall be the duty of the council to review the Financial Regulations of the council from time to time. The Clerk shall make arrangements to monitor changes in legislation or proper practices and shall advise the council of any requirement for a consequential amendment to these Financial Regulations.
- 18.2. 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.

## **19. GENERAL RESERVES**

The Council shall hold General Reserves at a level which is consistent with its Reserves Policy (currently six months of annual expenditure). At such times as the Council's General Reserves are below this level, it shall take reasonable measures to build them back up to the recommended level. Such measures may include precepting for a contribution to the Council's General Reserve.

**Document Approval:**

**(Chair to Melbourn Parish Council)**

**Date of Parish Council Meeting: 24 October 2022**

*Document Review Policy: 1 Year from last approval*

**POLICY AND PROCEDURE: INVESTMENT PLAN 2022-23**

## 2022-23 Investment Plan- mid year review (Sept 2022)

The Investment Plan is normally reviewed annually but changes in the economic climate and the maturity of a 1-year business bond means that a mid-year review has been undertaken.

### Funds Available for Investing

MPC has approximately £340,000 temporary surplus funds available during 2022/23 (see table below):

Source	Balance at 01/04/22	Maximum investment term	Comments
<b>General Reserve</b>	£158,500	3 months	Easy access required in case of emergency need
<b>Asset Management Reserve</b>	£72,000	£10k: instant access £62,000: 3m-1 yr	£10k anticipated for projects in 2022/23 – needs to be accessible
<b>s106 Reserve (unallocated funds only)</b>	£110,000 (note: further funds may be received in 2022/23)	3 months (potentially 1 yr if no further projects anticipated this year)	Balance excludes funds that have already been allocated or are anticipated to be allocated to projects in 2022/23 e.g. playground, skate park, boardwalk etc

- The majority of MPC's available funds should be kept readily accessible - maximum three month notice period.
- It should be possible to invest part of the AMR and s106 reserve for a longer term.
- The Investment Plan should be reviewed as MPC's plans for spending s106 and AMR funds are agreed to ensure that funds are available when required.

### Economic Climate

Following a period of interest rates being at a historic low, recent inflationary pressures have resulted in several increases to the Bank of England base rate. This was raised to 2.25% in September 2022. Interest rates are anticipated to increase further in 2022/23 due to continued inflation.

### Current position – 10<sup>th</sup> October 2022

MPC has £325,286 invested in four accounts – see breakdown below.

### Review of existing investment performance:

Institution	Product	Current Investment	Notice Period	Yield (at 10 Oct 2022)	FSCS Yes/No	Credit Rating
CCLA	Public Sector Deposit Fund*	£45,000	On demand	1.97%	n/a	AAAmf (Fitches)

	(money market fund)					Unchanged
Nationwide (issue 1)	45 day Members Business Saver deposit account	£115,146	45 days	1.55%	Y	AA3 (Moody's) Unchanged
HTB (issue 7)	45 day Business Notice	£135,000	45 days	0.5%	Y	-
Charity Bank	1 yr ethical fixed rate	£30,140	Matured 26/08/22	0.47%	Y	-

\*The Public Sector Deposit Fund is a money market fund specifically designed for the Public Sector. It invests in a diversified portfolio of high quality sterling denominated deposits and instruments. Its primary aim is to maintain the net asset value of the fund at par. The purchase of shares in the PSDF is not the same as investing in a bank deposit account and is not a guaranteed investment. There is a risk that the value per share may fall below face value.

### Investment Options for remainder of 2022/23

A review of available investments, open to Parish Councils, which meet MPC's Investment Strategy requirements was undertaken (see Appendix 1 below).

The **best yields** currently available to Parish Councils are:

Institution	Product	Minimum Investment	Notice Period	Yield (at Feb 2021) Fixed/Variable	FSCS Yes/No	Credit Rating
Charity Bank	Ethical 40 day notice	£1,000	40 days	1.55% V for bals>£10k	Y	-
Cambridge & Counties Bank	95 day business notice	£10,000	95 days	1.65% V	Y	-
Cambridge & Counties Bank	1 yr fixed rate business bond	£10,000	Matures 1 yr	2.75% F	Y	-

MPC currently has £325,286 invested. The available fund for investment is approximately £340,000. MPC could increase their invested funds by £15,000.

Of MPC's existing investment accounts, CCLA is performing well and Nationwide offers relatively good yields compared to the best new offerings. However, HTB is no longer offering a competitive return and has withdrawn all short-term deposit accounts. Our Charity Bank 1 year bond has matured and requires re-investing.

Cambridge & Counties Bank are offering good returns although one account requires 95 days' notice and a yield which is not significantly lower is offered by Charity bank with 40 days' notice whilst CCLA offers instant access with a higher yield. Cambridge & Counties 1-year fixed rate business bond is the best return currently available to Parish Councils.

### Investment Plan Recommended for remainder of 2022/23:

CCLA PSDF – this investment is currently performing well. MPC should increase their investment by £40,000 to £85,000. Note that this investment is not the same as a bank deposit.

Nationwide 45 day business saver - this account has offered consistently good returns and remains one of the best returns currently available with under three months' notice. MPC should keep their investment at the current level (£115,000). This balance exceeds the FSCS limit.

Hampshire Trust Bank 45 day notice deposit – the return is no longer competitive and the account should be closed and the proceeds (£135,000) reinvested in a Charity Bank ethical 40 day notice account (£50,000), CCLA (£25,000) and Cambridge & Counties Bank 1 year fixed bond (£60,000).

Charity Bank 1yr ethical fixed rate/ethical easy access – the proceeds from the matured 1yr bond (£30,000) should be invested in a new Charity Bank ethical 40 day notice account along with some of the proceeds from the HTB closed account. Total investment £80,000.

Cambridge & Counties Bank 1 year fixed business bond – MPC should invest £60,000 of the proceeds from HTB in a new investment with C&CB

Total invested = £340,000 (includes £15,000 increase)

Liquidity breakdown of suggested investments:

£85,000 = instant notice (25%)

£80,000 – 40 day notice (23.5%)

£115,000 = 45 day notice (34%)

£60,000 = one year maturity (17.5%)

The proposed investment plan spreads investments between institutions and account types which spreads risk via diversification.

All investments should be reviewed in March 2023 or earlier if there is a significant change in interest rates, perceived risk of financial institution failure or economic climate.

### **Document Approval:**

**(Chair to Melbourn Parish Council)**

**Date of Parish Council meeting: 24<sup>th</sup> October 2022**

*Review: 6 months*



**Version 1**  
**Review Date: March 2023**

**Appendix 1 Bank and Building Society Deposit Accounts Review October 2022**

Brown Text = best returns

Provider	Investment Type	Open to PC's	Access	Minimum Deposit	Interest Rate V variable F fixed	FSCS
<b>Instant Access</b>						
Cambridge Building Society	Council Saver	Y	Instant – max 2 x per mnth. Deposits and withdrawals by cheque only	£1,000	0.75% V	Y
Unity Trust	Instant Access	Y	Instant	None	0.76% V	Y
<b>Notice Accounts</b>						
Nationwide	35 Day Saver	Y	35 days	£5,000	1.5%	Y
Charity Bank	Ethical 40 day notice Business	Y	40 days	£1,000	<£25,000 1.4% V >£25,000 1.55% V	
Cambridge & Counties Bank	95 day business notice	Y	95 days	£10,000	<£10,000 0.1% V >£10,000 1.65%V	Y
Nationwide	95 day business saver	Y	95 days	£5,000	1.6%V	Y
Charity Bank	Ethical 100 day Business Notice	Y	100 days	£1,000	<£25,000 1.72% V >£25,000 1.87% V	Y
Nationwide	Business 125 day	Y	125 days	£5,000	1.7%V	Y
<b>Fixed-Term</b>						
Charity Bank	1 yr ethical fixed rate	Y	1 yr fixed term	£10,000	2.56% F	Y

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Cambridge & Counties Bank	1 yr fixed rate business bond	Y	1 yr fixed term	£10,000	3.3% F	Y
Nationwide	1 yr saver	Y	1 yr fixed term	£5,000	2.75% F	Y
<b>Other</b>						
CCLA	Local Authorities Property Fund	Y	3 mths notice to sell shares. <b>Investment intended for long-term returns 5 yr +</b>	£25,000 (min subsequent inv £10,000)	Dividend 2.3% Capital 2.75% (Mar 2022)	N
<b><u>Others – considered but not currently suitable</u></b>						
Virgin Money	All savings accounts	N				Y
Aldermore Bank	All savings accounts	N				Y
Metro	Needs to be opened at a branch - Cambridge	?	35-95day			Y
TSB	Need TSB current a/c	?				Y
Cynergy	All business savings accounts withdrawn. Current a/c only					Y

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HSBC	Business money manager	? Need to apply in person at branch	Instant	None		Y
Barclays	Need Barclays current a/c	?				Y
Lloyds		N				Y
Natwest	Need to open in person					Y
Co-op	All savings accounts	Need a current a/c with Co-op	Instant to 95 days	None		Y
Starling Bank	All accounts	N	Do not seem to offer deposit accounts			
Santander	Business Everyday	N	Instant	£1		Y
Santander	Business Reward	N	Instant but interest reduced if make withdrawals	£1		Y
Santander	Fixed rate business bond	N Also existing customers only	1 yr fixed term	£5,000		Y
Clydesdale Bank (Virgin Money)	Business Access Savings account	N	Instant	£1		Y
Clydesdale Bank (Virgin Money)	Business Notice account	N	30 – 120 days			Y
UK Govt Gilts	Need a stockbroker account	Y	2-30 yr + maturity but can be traded			

**TERMS OF REFERENCE FOR THE FINANCE AND GOOD GOVERNANCE  
COMMITTEE**

**PURPOSE:** To set out the rules by which this Committee of the Parish Council will work.

**SCOPE:** These rules are supplemental to, and do not in any way override, the Parish Council's Standing Orders &/or Financial Regulations.

**1. Membership of the Finance and Good Governance Committee**

1.1 There will be a maximum of 7 Members.

1.2 Membership of the committee will be as decided at the Annual Parish Council meeting each year. If the Chair and/or Vice Chair of the Council wish to attend the committee, they will do so in an *ex-officio* capacity.

1.3 The committee shall be subject to a quorum of one-third of its members or three councillors whichever is the greater.

**2. Chair**

2.1 The chair of the committee will be elected by the committee at the first meeting following the Annual General Meeting of the Parish Council, and reported back to the next full Council meeting.

2.2 The vice-chair of the committee will be elected by the committee at the first meeting following the Annual General Meeting of the Parish Council, and reported back to the next full Council meeting.

**3. Conduct of Meetings**

3.1 All meetings of the Finance and Good Governance Committee will be convened in accordance with the Parish Council's standing orders.

3.2 Meetings will be minuted by the Clerk or Assistant Clerk to the Council.

**4. Powers of the Finance and Good Governance Committee**

The committee shall be empowered to:

- 4.1 To propose the annual Precept to full Council, having considered any proposals put forward by other committees or Working Parties.
- 4.2 With the exception of those areas under the remit of the Maintenance Committee; to draft tender documents (following the Policy for Appointment and Management of Contractors and the Financial Regulations) and present to full Council.
- 4.3 To undertake an annual review of effectiveness of internal audit.
- 4.4 Consider how to increase the Council's income, including an annual review of all rents (including, but not limited to, those from the allotments and Littlehands) to be complete by the time of setting the Precept for the next year.
- 4.5 Investigate alternative funding sources such as grants.
- 4.6 Keep under review value for money in all areas of the Council's spend and make recommendations to Council about necessary changes.
- 4.7 Review according to the schedule those policies and procedures delegated to the committee by the full Council.
- 4.8 Review according to the schedule the risk register, financial risk assessments and any non-financial risk assessments delegated to it by full Council.
- 4.9 Review in conjunction with the Clerk the council's insurance arrangements, ensuring that the property and risks are adequately insured.
- 4.10 Review the Asset Register annually to ensure it is kept up-to-date.

# MELBOURN PARISH COUNCIL

Doc. No. 6.01  
Version 4  
Review Date: Sept 2023

4.13 To keep the Council's governance arrangements under review to ensure it continues to follow good practice.

## Document Approval:

**(Chair to Melbourn Parish Council)**



**Date of Parish Council meeting: 24 October 2022**

*Review Policy: Every 12 months*

**TERMS OF REFERENCE: MELBOURN FUTURES WORKING PARTY**

**PURPOSE: To set out the responsibilities, restrictions and limitations of operation of the Melbourn Futures Working Party**

**1. Membership & Organisation**

- 1.1 The Working Party will consist of a minimum of 3 Parish Councillors in addition to 1 District Councillor and 1 County Councillor (if they wish to serve) and up to a maximum of 5 members of the public who are residents of Melbourn. The Parish Councillors, County Councillor and District Councillor will be standing members of the Working Party.
- 1.2 Non Parish Councillor Members will have Working Party voting rights.
- 1.3 The Parish Clerk will, through the Parish magazine, Parish website and social media, request residents interested in getting involved to contact the Parish office to receive information on how they may join the Working Party and get involved with future projects and initiatives.
  - a) Residents who express an interest in joining the Working Party will be forwarded a questionnaire to complete. Subject to this being completed and returned to the Parish office, the individual will be added to a data base which will be maintained by the Parish Office, ensuring that privacy laws are adhered to and with the full consent of the individual.
  - b) When a specific project and/or initiative is being undertaken by the Working Party, the Parish Office will contact residents from the data base. They will be asked if they wish to join the Working Party. This invitation will be project specific.
  - c) Once the project or initiative is completed the Resident's responsibilities will be finished. (They may of course elect to stay on the database for future projects and/or remain on the Working Party.)
- 1.4 The Working Party will meet as required on an informal basis.
- 1.5 The Working Party may invite non-members to attend meetings.
- 1.6 The Parish Council may dissolve the Working Party in favour of an alternative organisational structure following an assessment of effectiveness at the Annual Parish Council Meeting.
- 1.7 The Council will formally review the continued need for the Working Party annually at the Annual Parish Council Meeting.

**2. Reporting**

- 2.1 Meeting notes will be made available to the Parish Council and published on the Parish Council's website.

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Doc No: 6.11

Version: v4

Review Date: Oct 2023

2.2 An annual summary report shall be given to the Annual Parish Meeting covering the previous years activities.

### **3. Terms of Reference**

3.1 Standing members of the working party in conjunction with the Parish Council and in consultation with the community where appropriate will identify projects and initiatives requiring action by the Working Party.

3.2 For each project and or initiative identified, the Working Party will aim to enlist where possible and practicable up to 5 members of the public, from the list of interested residents. The recruitment will be handled through the Parish office.

3.3 To consult, on behalf of the Parish Council with relevant third parties to ensure the best outcome is achieved.

3.4 To undertake where necessary, negotiations with service providers and statutory bodies.

3.5 To make recommendations to the Parish Council for action.

DOCUMENT APPROVAL :



**(Chair to Melbourn Parish Council)**

**Date of Meeting: 24 October 2022**

Review Policy: Every 12 months