



Broadstairs & St Peter's Town Council

10 April 2024

To: Cllrs: J Bright, K Bright, R Farooki, M Garner (Chairman), J Hobson, C Kemp, C Leys, E Orhan, S Roberts, G Rusiecki.

You are summoned to a meeting of the **Finance & General Purposes Committee** to be held on **Monday 15 April 2024 at 7pm in the Council Chamber at Pierremont Hall.**

A handwritten signature in black ink that reads 'Kirsty Holroyd'.

Kirsty Holroyd
Town Clerk

AGENDA

- 1. APOLOGIES FOR ABSENCE**
- 2. DECLARATIONS OF INTEREST**
To receive from members of the Council and the Town Clerk declarations of interest in accordance with the Code of Conduct adopted by the Town Council on 16th July 2012.
- 3. MINUTES OF THE FINANCE AND GENERAL PURPOSES COMMITTEE**
To approve the minutes of the meeting held on 16 February 2024. **Attach 1**
- 4. MATTERS ARISING FROM THE MINUTES NOT COVERED ELSEWHERE**
- 5. QUESTIONS AND/OR OBSERVATIONS FROM THE ELECTORATE OF BROADSTAIRS AND ST PETER'S**
To agree to suspend the meeting in accordance with Standing Orders 3e,3f, and 3g which permit a maximum of three members of the parish to address the council for a maximum of three minutes each.
- 6. BUDGET AND ACCOUNTS 2023-24**
 - i) To review a summary of Council income and expenditure for 2023-24 by cost centre **Attach 2**
 - ii) To consider any amendments to 2024-25 cost code budgets in light of the final position 2023-24 **Attach 3**
- 7. BUDGET AND ACCOUNTS 2024-25**
 - i) To consider allocating monies to recently agreed projects **Attach 4**
 - ii) To receive and consider an invoice received from TDC. **Attach 5**
 - iii) To receive an update on the grant for Broadstairs Town History Walkers

8. FINANCIAL REGULATIONS

- i) To receive NALC LTN 87 Procurement. **Attach 6**
- ii) To consider an amendment to the Council's Financial Regulations **Attach 7**
- iii) To consider an amendment to the Council's Standing Orders **Attach 8**
- iv) To consider a letter from the Council's solicitor **ENC 1**

9. INTERNAL AUDIT

To receive and consider an extract from the JPAG Practitioner's Guide and assess the Council's internal audit responsibilities **Attach 9**

10. DATE OF THE NEXT MEETING - Monday 22 July 2024 at 7pm in the Council Chamber, Pierremont Hall



Broadstairs & St Peter's Town Council

FINANCE & GENERAL PURPOSES COMMITTEE MINUTES

Monday 12 February 2024 at 7pm in The Council Chamber, Pierremont Hall

Present: Councillors J Bright, K Bright, R Farooki, M Garner (Chairman), J Hobson, C Kemp, C Leys & G Rusiecki

Town Clerk: Kirsty Holroyd

138. APOLOGIES FOR ABSENCE

Apologies with reason from Cllrs Orhan & Roberts were received and accepted.

139. DECLARATIONS OF INTEREST

None received.

140. MINUTES OF THE PREVIOUS MEETING

Members considered the minutes of the meeting held on Monday 15 January 2024.

RESOLVED: that with an amendment to the spelling of Cllr Farooki's name, the minutes be approved as a true record of the meeting and signed by the chairman.

141. MATTERS ARISING FROM THE MINUTES NOT COVERED ELSEWHERE

Min 133. Budgets and accounts: the Town Clerk noted that some urgent tree works had been identified and must be undertaken prior to the nesting season commencing. However there are insufficient funds in the Tree Works cost code.

RESOLVED: That the works be approved and the budget line will be flexed in the new budget to accommodate some funding from the Mockett's Wood and Allotments budget lines so the same does not happen again.

142. BUDGET AND ACCOUNTS 2023-24

Members received and considered a mid-term budget under the broad headings which TDC requests. It was agreed that the budget is useful for illustrative purposes and can be developed over the next three years as projects and longer term obligations become apparent.

RESOLVED: That the budget be noted.

143. GRANTS

i) Members received a summary of grants awarded so far. It was noted that £24,250 has been allocated so far and a further £32,500 was to be

considered at this meeting. The total budget for grants in 2024-25 is £100,000. Monies to be distributed in April 2024.

RESOLVED: Members agreed to note.

- ii) Members received and considered an application for funding from Broadstairs Food Festival – Easter event.

RESOLVED: That a grant of £3000 be allocated for the purpose of managing and staging the festival. The money must be used to assist local business or some other initiative to assist local people.

19.19 Cllr J Bright left the meeting

- iii) Members received and considered an application for funding from Broadstairs Food Festival – Autumn Event.

RESOLVED: That a grant of £4000 be allocated for the purpose of managing and staging the festival. It was agreed that further funding may be available if the CIC can prove a purely community element to increase local involvement.

- iv) Members received and considered an application for funding from Broadstairs Summer Fireworks.

RESOLVED: That a grant of £9500 be allocated for the purpose of managing and staging the event. In return the Town Council wishes to be acknowledged as a major sponsor in all publicity.

- v) Members received and considered an application for funding from Broadstairs Water Gala.

RESOLVED: That a grant of £4000 be allocated for the purpose of managing and staging the event. In return the Town Council wishes to be fully acknowledged as a major sponsor in all publicity.

- vi) Members received and considered an application for funding from Broadstairs Folk Week.

RESOLVED: That a grant of £10,000 be allocated for the purpose of managing and staging the festival. In return the Town Council asks to be recognised as the headline sponsor in all publicity.

- vii) Members received and considered an application for funding from the Visitor Information Kiosk

RESOLVED: That a grant of £2000 be allocated for operating costs.

144. MEETING TIMETABLE

Members received and considered a timetable for the committee meetings for the next civic year.

RESOLVED: That the number of meetings of this committee be reduced to one per quarter in order that additional meetings of other committees may take place.

145. DATE OF NEXT MEETING: Monday 15 April 2024 at 7pm in the Council Chamber, Pierremont Hall

Meeting closed at 7.55 pm

Signed _____

Date_____

Summary of Receipts and Payments

All Cost Centres and Codes

Attach 2

Community

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
38 Neighbourhood Plan				2,000.00	300.00	1,700.00	1,700.00 (85%)
39 Community Payback				3,000.00	1,945.06	1,054.94	1,054.94 (35%)
53 Beach Security				15,840.00	15,840.00		(0%)
905 Dickens House Matchfunding				5,000.00	5,000.00		(0%)
919 Youth Activities		141.68	141.68	1,000.00	603.17	396.83	538.51 (53%)
SUB TOTAL		141.68	141.68	26,840.00	23,688.23	3,151.77	3,293.45 (12%)

Earmarked reserves

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
921 Retort car park repairs				4,500.00	4,500.00		(0%)
922 VAT liability				250,513.26	18,762.53	231,750.73	231,750.73 (92%)
923 New van purchase				20,889.00	16,617.50	4,271.50	4,271.50 (20%)
SUB TOTAL				275,902.26	39,880.03	236,022.23	236,022.23 (85%)

Events

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
40 Bandstand entertainment		10,600.00	10,600.00	16,000.00	15,978.78	21.22	10,621.22 (66%)
41 Summer Theatre				3,585.00	3,585.00		(0%)
42 Punch & Judy				2,330.00	2,330.00		(0%)
43 visitor information kiosk				2,000.00		2,000.00	2,000.00 (100%)
44 November Fireworks				7,000.00	7,514.70	-514.70	-514.70 (-7%)
46 Broadstairs in Bloom		815.75	815.75	15,000.00	8,871.23	6,128.77	6,944.52 (46%)
916 coronation		320.00	320.00	10,000.00	8,083.37	1,916.63	2,236.63 (22%)
SUB TOTAL		11,735.75	11,735.75	55,915.00	46,363.08	9,551.92	21,287.67 (38%)

Grants

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
26 Grants		1,550.00	1,550.00	60,000.00	68,000.00	-8,000.00	-6,450.00 (-10%)
SUB TOTAL		1,550.00	1,550.00	60,000.00	68,000.00	-8,000.00	-6,450.00 (-10%)

Income

Code Title	Receipts			Payments			Net Position
	Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
1 Precept	739,284.00	739,280.00	-4.00				-4.00 (0%)
2 Grants		2,000.00	2,000.00		2,000.00	-2,000.00	(N/A)
3 Bank Interest	2,000.00	8,440.97	6,440.97				6,440.97 (322%)
5 B in B Sponsorship							(N/A)

Summary of Receipts and Payments

All Cost Centres and Codes

7 VAT Refund		0.08	0.08			0.08 (N/A)
8 Sundry Income		457.17	457.17			457.17 (N/A)
917 Overpayment		-1,415.32	-1,415.32			-1,415.32 (N/A)
SUB TOTAL	741,284.00	748,762.90	7,478.90	2,000.00	-2,000.00	5,478.90 (0%)

Open Spaces

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
47	Allotments	1,200.00	1,709.64	509.64	2,350.00	611.59	1,738.41	2,248.05 (63%)
48	Culmers Amenity Land				10,000.00	8,533.85	1,466.15	1,466.15 (14%)
49	Mocketts Wood				5,500.00	2,292.97	3,207.03	3,207.03 (58%)
50	Tree Survey & Works				3,400.00	6,290.00	-2,890.00	-2,890.00 (-85%)
51	Tree planting budget				10,000.00	1,037.27	8,962.73	8,962.73 (89%)
52	Environmental Initiatives				7,395.00	2,418.80	4,976.20	4,976.20 (67%)
86	town maintenance (van costs)				2,000.00	1,676.56	323.44	323.44 (16%)
87	Facilities Team sundry items				2,500.00	2,710.77	-210.77	-210.77 (-8%)
924	Victoria Gardens		500.00	500.00	1,500.00	1,196.98	303.02	803.02 (53%)
SUB TOTAL		1,200.00	2,209.64	1,009.64	44,645.00	26,768.79	17,876.21	18,885.85 (41%)

Pierremont Annual Maintenance

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
601	Algae and gutter clearance				900.00	1,280.00	-380.00	-380.00 (-42%)
602	Bathroom items				1,400.00	1,279.33	120.67	120.67 (8%)
603	Waste removal				2,750.00	2,952.29	-202.29	-202.29 (-7%)
604	Hygiene services				1,500.00	2,157.92	-657.92	-657.92 (-43%)
605	cleaning				10,400.00	10,591.27	-191.27	-191.27 (-1%)
606	Drain Clearance				600.00	2,625.00	-2,025.00	-2,025.00 (-337%)
607	electricity		9,525.25	9,525.25	13,500.00	23,193.75	-9,693.75	-168.50 (-1%)
608	Intercom							(N/A)
609	Fire alarms and emergency lighti				1,200.00	1,945.21	-745.21	-745.21 (-62%)
610	Fire doors and extinguisher chec				1,400.00	350.47	1,049.53	1,049.53 (74%)
611	Fire drills and assessments				1,350.00	1,780.00	-430.00	-430.00 (-31%)
612	Glass Door maintenance				1,200.00	335.00	865.00	865.00 (72%)
613	Grounds Maintenance				9,745.00	10,093.38	-348.38	-348.38 (-3%)
614	intruder alarm				500.00	540.00	-40.00	-40.00 (-8%)
615	Legionnaires testing				1,500.00	3,375.25	-1,875.25	-1,875.25 (-125%)
616	PAT testing				160.00	468.00	-308.00	-308.00 (-192%)
617	Roof inspections		210.00	210.00	1,900.00	1,000.00	900.00	1,110.00 (58%)
618	Site security				10,000.00	8,350.00	1,650.00	1,650.00 (16%)
619	Water rates				1,000.00	681.35	318.65	318.65 (31%)
620	Window cleaning				2,160.00	1,240.00	920.00	920.00 (42%)
SUB TOTAL			9,735.25	9,735.25	63,165.00	74,238.22	-11,073.22	-1,337.97 (-2%)

Pierremont Events

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend

BROADSTAIRS & ST PETER'S TOWN COUNCIL

8 April 2024 (2023-2024)

Summary of Receipts and Payments

All Cost Centres and Codes

23-24

45	Events - Marketing				2,500.00	2,218.33	281.67	281.67 (11%)
200	Events - Catering	520.01	520.01			43.98	-43.98	476.03 (N/A)
201	Events -Bar	2,900.49	2,900.49			1,589.76	-1,589.76	1,310.73 (N/A)
204	Events - Equipment	1,007.38	1,007.38			1,711.25	-1,711.25	-703.87 (N/A)
205	Events - Council					7.49	-7.49	-7.49 (N/A)
206	Events - Commercial	399.96	399.96					399.96 (N/A)
903	Events Room Hire	40,000.00	26,442.09	-13,557.91		8.17	-8.17	-13,566.08 (-33%)
904	Events Room Hire - Deposit		1,485.41	1,485.41				1,485.41 (N/A)
912	Christmas Event		1,458.37	1,458.37	2,085.00	4,406.71	-2,321.71	-863.34 (-41%)
918	Passive room hire							(N/A)
926	Ticket/Stall					4.46	-4.46	-4.46 (N/A)
929	Stripe Fee					6.94	-6.94	-6.94 (N/A)
930	Stripe Return					25.83	-25.83	-25.83 (N/A)
SUB TOTAL		40,000.00	34,213.71	-5,786.29	4,585.00	10,022.92	-5,437.92	-11,224.21 (-25%)

Pierremont Hall

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
54	Planned building works				28,000.00	23,571.04	4,428.96	4,428.96 (15%)
55	Tenants' rent	44,000.00	40,863.67	-3,136.33				-3,136.33 (-7%)
56	Tenants' parking	6,500.00	8,500.00	2,000.00				2,000.00 (30%)
57	Annual maintenance schedule				10,080.00	601.50	9,478.50	9,478.50 (94%)
58	Security							(N/A)
59	Contribution to 7 year paint							(N/A)
60	Water							(N/A)
61	Rates				6,500.00	4,072.92	2,427.08	2,427.08 (37%)
62	Unplanned building works				5,000.00	2,509.20	2,490.80	2,490.80 (49%)
64	Licence				500.00	350.00	150.00	150.00 (30%)
65	Cleaning							(N/A)
85	Landscaping and planting				2,560.00	2,280.00	280.00	280.00 (10%)
88	Furniture/equipment				1,500.00	180.61	1,319.39	1,319.39 (87%)
89	Communal charge							(N/A)
203	Electricity		616.84	616.84		1,475.25	-1,475.25	-858.41 (N/A)
906	Waste services							(N/A)
908	Pierremont service charges	28,317.29	37,635.70	9,318.41		847.83	-847.83	8,470.58 (29%)
911	EVCP		181.88	181.88		31.00	-31.00	150.88 (N/A)
SUB TOTAL		78,817.29	87,798.09	8,980.80	54,140.00	35,919.35	18,220.65	27,201.45 (20%)

PWLB Loan

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
75	Loan Repayments				35,824.00	35,823.94	0.06	0.06 (0%)
SUB TOTAL					35,824.00	35,823.94	0.06	0.06 (0%)

Retort House

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend

BROADSTAIRS & ST PETER'S TOWN COUNCIL

8 April 2024 (2023-2024)

Summary of Receipts and Payments

All Cost Centres and Codes

23-24

66	Retort House Bookings	20,000.00	5,767.59	-14,232.41				-14,232.41 (-71%)
67	Retort House Tenants	15,000.00	30,565.50	15,565.50				15,565.50 (103%)
68	Utilities				5,750.00	1,182.27	4,567.73	4,567.73 (79%)
69	Rates		64.00	64.00	2,750.00	2,495.00	255.00	319.00 (11%)
70	Annual maintenance schedule				4,500.00	2,073.26	2,426.74	2,426.74 (53%)
71	contribution to 7 year paint							(N/A)
72	Licences				1,000.00	141.03	858.97	858.97 (85%)
73	Cleaning				4,500.00	1,990.10	2,509.90	2,509.90 (55%)
81	Unplanned building works				5,000.00	1,662.19	3,337.81	3,337.81 (66%)
83	Equipment				2,000.00	16.00	1,984.00	1,984.00 (99%)
909	Tenant service charge	3,338.50	3,338.50					(0%)
910	communal charge							(N/A)
915	Security					750.00	-750.00	-750.00 (N/A)
927	Electricity - Retort		5,055.25	5,055.25		13,209.69	-13,209.69	-8,154.44 (N/A)
SUB TOTAL		38,338.50	44,790.84	6,452.34	25,500.00	23,519.54	1,980.46	8,432.80 (13%)

Staff Costs

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
21	Salaries				209,160.00	200,110.61	9,049.39	9,049.39 (4%)
22	Pension				10,000.00	14,520.26	-4,520.26	-4,520.26 (-45%)
23	NI & Tax				67,000.00	70,510.93	-3,510.93	-3,510.93 (-5%)
76	Travel and Subsistence				200.00	171.40	28.60	28.60 (14%)
78	Payroll company				1,000.00	1,381.85	-381.85	-381.85 (-38%)
79	Eye tests and glasses				500.00		500.00	500.00 (100%)
SUB TOTAL					287,860.00	286,695.05	1,164.95	1,164.95 (0%)

YE Adjustments

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
900	Debtors							(N/A)
901	Creditors							(N/A)
902	Void transactions					8.19	-8.19	-8.19 (N/A)
913	Receipts in advance 23-24							(N/A)
914	Receipts in advance 24-25					62.50	-62.50	-62.50 (N/A)
SUB TOTAL						70.69	-70.69	-70.69 (N/A)

Summary

NET TOTAL	910,239.79	943,758.02	33,518.23	1,095,903.09	812,544.25	283,358.84	316,877.07 (15%)
V.A.T.		88,969.60			62,014.10		
GROSS TOTAL		1,032,727.62			874,558.35		

Summary of Receipts and Payments

All Cost Centres and Codes

23-24

Admin & Office Costs

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
10	Stationery				1,000.00	938.62	61.38	61.38 (6%)
11	Printer/Photocopier				1,000.00	921.12	78.88	78.88 (7%)
12	Licences				5,000.00	6,709.11	-1,709.11	-1,709.11 (-34%)
13	IT		100.00	100.00	6,000.00	3,824.58	2,175.42	2,275.42 (37%)
14	Running Costs							(N/A)
15	Insurance & Audit		5,374.09	5,374.09	7,350.00	15,423.31	-8,073.31	-2,699.22 (-36%)
16	Professional Fees				50,000.00	40,641.57	9,358.43	9,358.43 (18%)
17	Training & Subscriptions				5,000.00	5,363.07	-363.07	-363.07 (-7%)
18	Equipment & Furniture				5,000.00	574.41	4,425.59	4,425.59 (88%)
20	Elections				13,426.83	13,426.83		(0%)
84	Office contingencies				1,000.00	291.67	708.33	708.33 (70%)
101	Phones and Internet				3,000.00	6,380.66	-3,380.66	-3,380.66 (-112%)
102	Office sundries				5,000.00	2,107.47	2,892.53	2,892.53 (57%)
103	Finance costs		-2,653.93	-2,653.93	1,000.00	1,652.01	-652.01	-3,305.94 (-330%)
104	Container hire				1,000.00	1,135.42	-135.42	-135.42 (-13%)
105	Council business rates				1,250.00	3,390.59	-2,140.59	-2,140.59 (-171%)
907	BSPTC service charge							(N/A)
SUB TOTAL			2,820.16	2,820.16	106,026.83	102,780.44	3,246.39	6,066.55 (5%)

Amenities

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
4	Bandstand Kiosk	10,600.00		-10,600.00	6,000.00	620.59	5,379.41	-5,220.59 (-31%)
27	Notice Boards				1,000.00	2,040.55	-1,040.55	-1,040.55 (-104%)
28	Park Lighting							(N/A)
29	Defibrillators				1,000.00	1,317.27	-317.27	-317.27 (-31%)
30	Street Furniture				2,000.00	893.06	1,106.94	1,106.94 (55%)
31	Viking Bay Lift				2,500.00		2,500.00	2,500.00 (100%)
32	Toilet Extended Opening				2,000.00	590.00	1,410.00	1,410.00 (70%)
34	St Peter's Roundabout				4,000.00		4,000.00	4,000.00 (100%)
35	Decorative Lighting				20,000.00	19,678.62	321.38	321.38 (1%)
36	Twinning Sign							(N/A)
37	Flagpole				1,000.00	342.33	657.67	657.67 (65%)
SUB TOTAL		10,600.00		-10,600.00	39,500.00	25,482.42	14,017.58	3,417.58 (6%)

Civic Costs

Code	Title	Receipts			Payments			Net Position
		Budgeted	Actual	Variance	Budgeted	Actual	Variance	+/- Under/over spend
19	Councillor Allowances				9,000.00	8,751.12	248.88	248.88 (2%)
24	Town Mayor				6,000.00	797.78	5,202.22	5,202.22 (86%)
25	Civic Events				1,000.00	1,742.65	-742.65	-742.65 (-74%)
SUB TOTAL					16,000.00	11,291.55	4,708.45	4,708.45 (29%)

Suggested amendments to 2024-25 budget

Cost Centre code	Admin name	Issue	suggestion	remedy
12	licences	overspend by £1700	increase by £2000	already done on new budget
13	IT	underspend by £2000	decrease by £2000	
15	Insurance and audit	overspend by £2700	Increase to £11000	Vire £3000 from 16: Professional fees?
101	Phones and internet	overspend by £4000	Increase to £7000	Vire £2000 from code 18 & £2000 from code 102
105	council business rates	overspend by £2140	Increase by £2500	Vire £2500 from 16: Professional fees

Cost Centre code	Amenities name	Issue	suggestion	remedy
27	Noticeboards	overspend by £1040	No change necessary	
29	Defibrillators	overspend by £317	Increase by £1000	already done on new budget

Cost centre code	Civic costs name	Issue	suggestion	remedy
24	Town Mayor	underspend by £5200	ringfence for a project in 2025?	N.b This is a private allowance
25	Civic events	overspend by £742	increase by £1000	Vire from Town Mayor?

Cost centre code	Community name	Issue	suggestion	remedy
38	Neighbourhood Plan	underspend of £1700	no action necessary	already accounted for in new budget
39	Community Payback	underspend of £1054	suggest no action necessary	More projects allocated to CP

Cost Centre code	Events name

44	November fireworks	overspend by £500	increase by £500	??
46	Broadstairs in Bloom	underspend due to lack of hanging basket contract		Already accounted for in new budget

Cost centre Open spaces

code	name			
50	Tree survey & works	overspend by £2890	increase by £3000	Wire £1000 each from code 48 & 49 & £1000 from 47

Cost Centre Pierremont Annual Maint

code	name			
601	Algae & gutter clearance	significant over spend	increase accordingly	already accounted for in new budget
603	waste removal	significant over spend	increase accordingly	already accounted for in new budget
604	hygiene services	significant over spend	increase accordingly	already accounted for in new budget
608	drain clearance	significant over spend	increase accordingly	already accounted for in new budget
607	electricity	significant over spend	increase accordingly	already accounted for in new budget
609	Fire alarms & emergency lights	significant over spend	increase by £800	wire from window cleaning
611	Fire drills & assessments	significant over spend	increase accordingly	already accounted for in new budget
615	Legionaires testing	significant over spend	increase accordingly	already accounted for in new budget

Cost Centre staff costs

code	name			
21	salaries	underspend by £9000		Increased costs already included in new budget
22	pension	overspend by £4500		Increased costs already included in new budget
23	NI & Tax	overspend by £3500		Increased costs already included in new budget

Events budget 2024: report to F&GP committee on Monday 15 April 2024

At the meeting of the Events, Leisure and Tourism committee on Monday 18 March 2024 members agreed to stage a series of new events over the year. The decisions were taken after the setting of the budget for 2024-25 and it was therefore agreed that the Finance and General Purposes Committee would find the money to stage them by viring money from other budgets.

The Events and Bookings Manager suggests the following budgets for each:-

- | | |
|--|----------|
| • 80 th Anniversary of the D Day landings– | £2500.00 |
| • 75 th anniversary of the arrival of Viking Ship Hugin in Viking Bay | £1000.00 |
| • Christmas event Saturday 25 November 2024 | £1000.00 |
| • Under 18s events | £1000.00 |
| • November 5 Fireworks: an additional | £1000.00 |

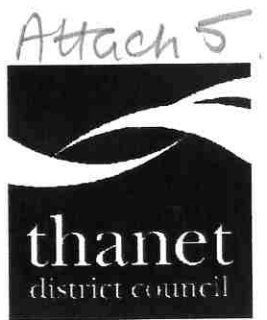
Total **£6500**

Monies could be found by trimming other budgets or a lump sum could be taken from the reserve entitled Memorial Bench. This reserve is no longer needed for the project for which it was intended, and £17,000 has already been taken to fund the post of Events Supervisor. £7000 remains available.

Decision required:

Do members wish the events to go ahead with the recommended budgets?

Do members wish the money to be vired from the reserves or from another budget heading?



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INVOICE

BROADSTAIRS & ST PETERS
TOWN COUNCIL
PIERREMONT HALL
BROADSTAIRS
KENT
CT10 1JX

DETAILS	
Invoice Number	A7981377
Invoice/Tax Date	28-MAR-24
Account Number	1002456
Payment Due	WITHIN 14 DAYS OF INVOICE

INVOICE DETAILS	NET AMOUNT	VAT AMOUNT	VAT %
FOR THE ATTENTION OF :-KIRSTY HOLROYD SURVEYORS FEES IN THE PREPARATION OF A LICENCE TO CULTIVATE FLOWER BEDS IN VICTORIA GARDENS BROADSTAIRS IN THE EVENT OF A QUERY PLEASE CONTACT CINDY BING ON 01843 577229 OR E-MAIL cindy.bing@thanet.gov.uk	330.00	0.00	0.00

NET	330.00
VAT	0.00
TOTAL £	330.00

PAYMENT MAY BE MADE AS SHOWN OVERLEAF

DETAILS	
Account No	1002456
Invoice No	A7981377
Amount Due	£330.00

24 JANUARY 2024

LTN 87 | PROCUREMENT

Introduction

1. This LTN applies to local councils in England and Wales except for paragraphs 11 to 16 below which apply only to local councils in England.
2. In the context of local councils, “procurement” is the process by which they award contracts to third parties (frequently individuals or companies) to provide goods, services or to undertake works. A procurement process is designed to source the most suitable contractors based on factors such as cost and their knowledge, experience, quality, capability, and financial standing.
3. A procurement exercise by a local council is subject to the requirements in s. 135 of the Local Government Act 1972 (“the 1972 Act”) and the Public Contracts Regulations 2015 (“the 2015 Regulations”). These legal requirements are summarised in the table below.

Contract value (inclusive of VAT)	Legal requirements		
	The council’s standing orders required by s.135 of the 1972 Act (and financial regulations)	The Contracts Finder/ find a tender website and other light touch rules in the 2015 Regulations	Complex requirements in the 2015 Regulations
Low value contracts (in England only, this means up to £30,000).	✓		
All contracts over £30,000 including VAT but below the threshold below (England only).	✓	✓ Use of the Contracts Finder/ find a tender website (see paragraph 11 to 16 below).	

Public service or supply contract over £214,904 or public works contract over £5,372,609	✓		✓ Follow most complex procedure (see paragraphs 17 to 21).
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4. The requirement for councils in England and Wales to have standing orders with respect to procuring and entering into contracts is set out in s.135 of the 1972 Act. This Note provides (A) an explanation of councils' responsibilities under the 1972 Act (England and Wales), (B) an explanation of the bodies and contracts which are subject to the 2015 Regulations (England and Wales), (C) an explanation of the Contracts Finder/ find a tender provisions and other light touch requirements for procuring and awarding contracts covered by the 2015 Regulations which are valued over £30,000 (England only) and (D) an overview of the complex requirements for procuring contracts covered by the 2015 Regulations which are valued over £214,904 for a public supply or public service contract or £5,372,609 for a public works contract (England and Wales).

A. Standing Orders (s. 135 of the 1972 Act)

5. S.135 of the Local Government Act 1972 provides:

- A local authority (which includes local councils in England and Wales) may make standing orders with respect to the making of contracts by them or on their behalf.
- A local authority shall make standing orders with respect to the making by them or on their behalf of contracts for the supply of goods or materials or for the execution of works.
- Standing orders made by a local authority with respect to contracts for the supply of goods or materials or for the execution of works shall include provision for securing competition for such contracts and for regulating the manner in which tenders are invited, but may exempt from any such provision contracts for a price below that specified in standing orders and may authorise the authority to exempt any contract from any such provision when the authority are satisfied that the exemption is justified by special circumstances.
- A person entering into a contract with a local authority shall not be bound to inquire whether the standing orders of the authority which apply to the contract have been complied with, and non-compliance with such orders shall not invalidate any contract entered into by or on behalf of the authority.

6. S.135 (3) confirms that, in England or Wales, a local council may adopt standing orders which exempt contracts from a tendering exercise if they are below a certain value or if specific circumstances apply. The Contracts Finder/ find a tender and other light touch provisions of the 2015 Regulations apply in England only to contracts valued above £30,000. This means that councils in England may have standing orders which confirm that contracts valued at £30,000 or below are exempt from a tendering or procurement exercise. Councils in Wales are not subject to this limit but this figure is included in NALC's model standing orders and financial regulations for Wales. A council's standing orders (and financial regulations) need to confirm the procurement requirements (if any) that will apply for the award of a new contract, which will be dependent on its value (or special circumstances). It is recommended that a council's standing orders (and financial regulations) confirm if contracts below a certain value (for councils in England, this means contracts valued at £30,000 or below) are exempt from a tendering or procurement exercise. It is also recommended that the council's standing orders and financial regulations confirm that the procurement of contracts over a certain value (for councils in England, this means contracts over £30,000) will be subject to the requirements in 2015 Regulations.

B. Which bodies are covered by the 2015 Regulations?

7. The 2015 Regulations imposes procurement requirements on "contracting authorities" which include local authorities (and therefore includes local councils), associations formed by one or more such authorities (e.g. County Associations) and "bodies governed by public law" (e.g. government departments, NHS trusts, maintained schools and Academy schools) (Regulation 2 of the 2015 Regulations). "Bodies governed by public law" includes an organisation set up for the general as opposed to commercial interest, with its own legal status, and which is financed or managed by a local authority. If a local council is the sole or managing trustee of a charity, appoints most of the trustees or grants the majority of the charity's income that charity will be subject to the 2015 Regulations.

Which contracts are covered by the 2015 Regulations?

8. The 2015 Regulations apply to "public contracts" which are defined as "contracts.... having as their object the execution of works, the supply of products or the provision of services." Regulation 2 of the 2015 Regulations defines each of those three contracts as follows:

"public service contracts" meaning public contracts which have as their object the provision of services other than those referred to in the definition of "public works contracts";

"public supply contracts" meaning public contracts which have as their object the purchase, lease, rental or hire-purchase, with or without an option to buy, of products, whether or not the contract also includes, as an incidental matter, siting and installation operations;

“public works contracts” meaning public contracts which have as their object any of the following:—

- the execution, or both the design and execution, of works related to one of the activities listed in Schedule 2 (see paragraph 9 below);
 - the execution, or both the design and execution, of a work;
 - the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work;
9. The activities in Schedule 2 to the 2015 Regulations which are included in the definition of a “public works contract” include site preparation, demolition of buildings, construction of new buildings, erection of roofs, bricklaying, scaffolding, insulation work, plumbing, plastering, joinery installation, floor and wall covering and painting and glazing, civil engineering works and construction of highways, roads, airfields and sport facilities.

Public contracts which are exempted from the 2015 Regulations

10. Regulations 7 to 12 provide that certain public contracts are exempted from the requirements of the 2015 Regulations. Regulation 10 confirms, for example, that contracts for the acquisition of land and buildings, legal services (legal advice and representation), bank services are exempted. In the context of local authorities, Regulation 12, for example, excludes:
- a contract with an incorporated body, controlled by a local authority, where more than 80 % of the body’s activities are controlled by the local authority and there is no private sector ownership of the body, with certain exceptions;
 - a contract between two or more local authorities who come together to provide a public service to achieve objectives they have in common and that the joint venture is governed solely by considerations relating to the public interest (e.g. where a parish council enters into arrangements with a principal council) and
 - an incorporated body which is a contracting authority awards the contract to its controlling local authority or to an incorporated body controlled by the same local authority;

C. Advertising requirements

Brexit – transitional advertising arrangements

31 December 2020 marked the end of the transition period for the purposes of leaving the EU. There are new advertising requirements, with the introduction of “find a tender”. Government guidance, which also includes procurement policy notes, FAQs and a flow chart, sums up the main points <https://www.gov.uk/guidance/public-sector-procurement-from-1-january-2021>

Below is a summary of the post 31 December 2020 changes:

1. Find a Tender went live at the end of the transition period (23:00 on 31 December 2020) - <https://www.find-tender.service.gov.uk/Search>
2. Procurements on OJEU/TED that were commenced prior to the end of the transition period must be concluded on OJEU/TED.
3. New procurements commenced after the end of the Transition Period must be advertised on Find a Tender.
4. Requirements to advertise on [ContractsFinder](#) and [Sell2Wales](#) remain unchanged (see below).

The Contracts Finder website and other light-touch rules in 2015 regulations (England only)

11. Where the estimated value of a public contract exceeds £30,000 a local council in England must comply with Articles 109 to 114 of the 2015 Regulations (in addition to section 135 of the 1972 Act). Regulation 110, which concerns the advertisement of a contract opportunity, is summarised below.
 - Subject to the above paragraph on the changes post 31 December 2020, a council must advertise the contract opportunity on the “Contracts Finder” website when it advertises the contract opportunity elsewhere. A council will have advertised a contract opportunity elsewhere if it does anything to put the opportunity in the public domain or bring the opportunity to the attention of economic operators generally or to any class or description of economic operators which is potentially open-ended, with a view to receiving responses from economic operators who wish to be considered for the award of the contract (e.g. places details of the opportunity on its website, in a newspaper or a trade paper);
 - A council does not advertise an opportunity where it makes the opportunity available only to a number of particular economic operators who have been selected for that purpose (whether ad hoc or by virtue of their membership of some closed category such as a framework agreement), regardless of how it draws the opportunity to the attention of those economic operators (i.e. if a council has an arrangement with a

limited number of approved organisations to undertake work for the council); Regulation 33 defines a “framework agreement” as an agreement between one or more contracting authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. Contracting authorities may conclude framework agreements if they apply the procedures in Part 2 of the 2015 Regulations. Regulation 33 provides that framework agreements should not exceed 4 years except in exceptional circumstances. A council must advertise the contract opportunity on Contracts Finder within 24 hours of advertising it elsewhere;

- The information to be published on Contracts Finder shall include at least the following:
 - (a) the time by which any interested economic operator must respond if it wishes to be considered; (b) how and to whom such an economic operator is to respond; and (c) any other requirements for participating in the procurement;
 - Where a council publishes information on Contracts Finder it must — (a) by means of the internet, offer unrestricted and full direct access free of charge to any relevant contract documents; and (b) specify in the information published on Contracts Finder the internet address at which those documents are accessible;
 - A council may advertise the contract opportunity on the “Contracts Finder” website when it does not advertise the contract opportunity elsewhere;
 - It must have regard to guidance issued by the Minister for the Cabinet Office.
12. Regulation 111 provides that councils cannot include a pre-qualification stage. A “pre-qualification stage” is defined as “a stage in the procurement process during which the contracting authority assesses the suitability of candidates to perform a public contract for the purpose of reducing the number of candidates to a smaller number who are to proceed to a later stage of the process.” A council may ask tenderers to answer “suitability assessment question” which is defined as relating “to information or evidence which the contracting authority requires for the purpose of assessing whether candidates meet requirements or minimum standards of suitability, capability, legal status or financial standing” if the questions are relevant to the subject-matter of the procurement; and proportionate. Councils must have regard to guidance issued by the Minister for the Cabinet Office which can be accessed via www.gov.uk/government/collections/procurement-policy-notes
13. Regulation 113 provides that councils must ensure that contracts contain suitable provisions stating that valid undisputed invoices will be paid by within 30 days. Public contracts must also contain a condition requiring contractors to include similar provisions in their contracts, and

so on down the supply chain. Councils shall have regard to any guidance issued by the Minister for the Cabinet Office.

14. When a contract is awarded, a council, having regard to guidance issued by the Minister for the Cabinet Office, must publish on the Contracts Finder the information set out in Regulation 112. This includes:
 - the name of the contractor;
 - the date on which the contract was entered into;
 - the value of the contract;
 - whether the contractor is a SME (defined as an enterprise falling within the category of micro, small and medium-sized enterprises) or VCSE (defined as a non-governmental organisation that is value-driven and which principally reinvests its surpluses to further social, environmental or cultural objectives).
15. A council may withhold information in paragraph 14 above from publication where its release
 - would impede law enforcement or would otherwise be contrary to the public interest,
 - would prejudice the legitimate commercial interests of a particular economic operator, whether public or private, or
 - might prejudice fair competition between economic operators
16. The above is a summary of the main requirements in relation to use of the Contracts Finder website. Councils are recommended to read the 2015 Regulations which can be accessed via www.legislation.gov.uk/ukxi/2015/102/contents/made
- D. Complex requirements in the 2015 Regulations for high-value contracts
17. The 2015 Regulations incorporated the Public Contracts Directive 2014/24/EU (“the Public Contracts Directive”). In its simplest terms, the Public Contracts Directive facilitates the award of certain contracts to any business entity in the EU.

Financial thresholds

18. Even if the procurement and award of a contract is covered by the 2015 Regulations (see paragraphs 8 and 9 above) and is not an exempted contract (see paragraph 10 above) it will not be subject to the full requirements of the 2015 Regulations unless its estimated value exceeds the thresholds issued by the UK Government in the form of [Policy Procurement Note 10/21](#). As a result of Brexit, the UK Government and devolved administrations must now ensure procurement thresholds are aligned with the World Trade Organisation’s thresholds,

which are contained in its Government Procurement Agreement (“GPA”). One of the most notable impacts of this change to GPA alignment is that contract value estimations must now be inclusive of VAT. Under previous EU rules, procurement thresholds were net of VAT. As a result of this change local councils will need to carefully consider whether or not VAT will apply to relevant contracts. The figures below apply from 1 January 2024. As already mentioned in paragraphs 3 and 4 above, the current thresholds are:

Type of contract	Threshold
Public works contracts	£5,372,609
Public service contracts	£214,904
Public supply contracts	£214,904

19. Few contracts to be awarded by local councils will exceed the thresholds above but, if they do, they will be subject the requirements summarised in paragraph 21 below.
20. As noted above, contracts procured by councils in England which are worth over £30,000 but less than the thresholds in paragraph 18 above will still be subject to the Contracts Finder website and other light touch provisions in the 2015 Regulations summarised in paragraphs 11 – 16 above.

Procedural requirements

21. Contracts awards exceeding the thresholds in paragraph 18 above are detailed and complex. It is likely that councils considering such high value contracts will require technical and or legal advice from those who specialise in public procurement. Set out below is a very brief overview of the full requirements of the 2015 Regulations – where they apply.
 - Procurement must take one of five forms; the open procedure, the restricted procedure, competitive dialogue, the innovations partnership procedure; and competitive procedure with negotiation;
 - Accelerated forms of the open procedure and competitive procedure with negotiation and the restricted procedure in situations of urgency that a local council can duly substantiate;
 - There is a pre-qualification stage;
 - Councils will need to comply with the requirements in respect of tenders;

- Contracts should be awarded on the “most economically advantageous tender (Regulation 67);
- Contracts can be varied without going through a new procurement exercise in specified situations. (Regulation 72); and
- Contracts should be advertised on the Find a Tender/ Contracts Finder website (Regulation 106) – see paragraph 10 above and for the guidance on publishing in the Official Journal of the European Union (OJEU);

N.B. Central purchasing activities (where one body does purchasing for a series of organisations) are covered by the 2015 Regulations.

Other Legal Topic Notes (LTNs) relevant to this subject:

LTN	Title	Relevance
15	Legal Proceedings	Useful for threatened or actual legal proceedings relating to contract disputes.
29	Basic Charity Law	Explains responsibilities of council as a charity trustee.
35	Contracts	Guide to basic contract law.

Extract from Standing Orders 2023

- d. As soon as possible after the financial year end at 31 March, the Responsible Financial Officer shall provide:
 - i. each councillor with a statement summarising the Council's receipts and payments (or income and expenditure) for the last quarter and the year to date for information; and
 - ii. to the Council the accounting statements for the year in the form of Section 2 of the annual governance and accountability return, as required by proper practices, for consideration and approval.
- e. The year-end accounting statements shall be prepared in accordance with proper practices and apply the form of accounts determined by the Council (receipts and payments, or income and expenditure) for the year to 31 March. A completed draft annual governance and accountability return shall be presented to all councillors at least 14 days prior to anticipated approval by the Council. The annual governance and accountability return of the Council, which is subject to external audit, including the annual governance statement, shall be presented to the Council for consideration and formal approval before 30 June.

18. FINANCIAL CONTROLS AND PROCUREMENT

- a. The Council shall consider and approve financial regulations drawn up by the Responsible Financial Officer, which shall include detailed arrangements in respect of the following:
 - i. the keeping of accounting records and systems of internal controls;
 - ii. the assessment and management of financial risks faced by the Council;
 - iii. the work of the independent internal auditor in accordance with proper practices and the receipt of regular reports from the internal auditor, which shall be required at least annually;
 - iv. the inspection and copying by councillors and local electors of the Council's accounts and/or orders of payments; and
 - v. whether contracts with an estimated value below **£25,000** due to special circumstances are exempt from a tendering process or procurement exercise.
- b. Financial regulations shall be reviewed regularly and at least annually for fitness of purpose.
- c. **A public contract regulated by the Public Contracts Regulations 2015 with an estimated value in excess of £25,000 but less than the relevant thresholds in standing order 18(f) is subject to Regulations 109-114 of the Public Contracts Regulations 2015 which include a requirement on the**

Council to advertise the contract opportunity on the Contracts Finder website regardless of what other means it uses to advertise the opportunity unless it proposes to use an existing list of approved suppliers (framework agreement).

- d. Subject to additional requirements in the financial regulations of the Council, the tender process for contracts for the supply of goods, materials, services or the execution of works shall include, as a minimum, the following steps:
- i. a specification for the goods, materials, services or the execution of works shall be drawn up;
 - ii. an invitation to tender shall be drawn up to confirm (i) the Council's specification (ii) the time, date and address for the submission of tenders (iii) the date of the Council's written response to the tender and (iv) the prohibition on prospective contractors contacting councillors or staff to encourage or support their tender outside the prescribed process;
 - iii. the invitation to tender shall be advertised in a local newspaper and in any other manner that is appropriate;
 - iv. tenders are to be submitted in writing in a sealed marked envelope addressed to the Proper Officer;
 - v. tenders shall be opened by the Proper Officer in the presence of at least one councillor after the deadline for submission of tenders has passed;
 - vi. tenders are to be reported to and considered by the appropriate meeting of the Council or a committee or sub-committee with delegated responsibility.
- e. Neither the Council, nor a committee or a sub-committee with delegated responsibility for considering tenders, is bound to accept the lowest value tender.
- f. **Where the value of a contract is likely to exceed the threshold specified by the Office of Government Commerce from time to time, the Council must consider whether the Public Contracts Regulations 2015 or the Utilities Contracts Regulations 2016 apply to the contract and, if either of those Regulations apply, the Council must comply with procurement rules. NALC's procurement guidance contains further details.**

19. **HANDLING STAFF MATTERS**

- a. A matter personal to a member of staff that is being considered by a meeting of council, a committee or sub-committee is subject to standing order 11.
- b. Subject to the Council's policy regarding absences from work, the Council's

- 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.
- 10.6 The Council is not required to obtain multiple quotes for small items of expenditure where it would not be a good use of office resources to do so. For this reason the Council has developed a preferred contractors' list. A list of tried and tested local suppliers has been drawn up by staff and has been approved by Council.

Office staff may request quotes from these companies to carry out small jobs or regular supplies without seeking second or third quotes for comparison. However this does not mean that the council may not seek multiple quotes if it wishes. Quotes will still be submitted to Council for approval unless the work is urgent and falls below the £2000 limit as stipulated in clause 4.1 or if it falls below the £500 de minimis amount in clause 11.h

The list will be reviewed and reapproved annually and those contractors selected by Council as preferred will be openly acknowledges in the interests of transparency. Potential conflicts of interests with staff or councillors will be recorded.

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;

is below [£5,000] and above [£500] 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.

12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS

- 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, F&GP committee or Community Assets Committee.
- 12.3. Any variation to a contract or addition to or omission from a contract must be approved by the relevant committee 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.

nalc

Joint Panel on
Accountability and
Governance
**Practitioners'
Guide**

March 2024

**National Association
of Local Councils**

www.nalc.gov.uk/jpag



SECTION ONE — PROPER PRACTICES ANNUAL GOVERNANCE STATEMENT

Introduction

- 1.1 The Accounts and Audit Regulations 2015 require smaller authorities, each financial year, to conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement in accordance with proper practices in relation to accounts.
- 1.2 This guide represents the proper practices in relation to accounts those smaller authorities need to follow in preparing their annual governance statement.
- 1.3 The purpose of the annual governance statement is for an authority to report publicly on its arrangements for ensuring that its business is conducted in accordance with the law, regulations and proper practices and that public money is safeguarded and properly accounted for.
- 1.4 Smaller authorities prepare their annual governance statement by completing Section 1 of the Annual Governance and Accountability Return. This is in the form of a number of statements, known as assertions, to which the authority needs to answer, 'Yes' or 'No'. This guide follows the order of Section 1 of the Annual Governance and Accountability Return and sets out the actions that authorities need to have taken either during the financial year or after the financial year-end to answer 'Yes' to each assertion.
- 1.5 The authority needs to have appropriate evidence to support a 'Yes' answer to an assertion, for example, a reference in a set of formal minutes.
- 1.6 If an authority is not able to respond 'Yes' to any assertion, it needs to provide an explanation to the external auditor on a separate sheet describing how the authority will address the weaknesses identified. These explanations must be published along with the completed AGAR.
- 1.7 To assist practitioners, a Pro-forma Annual Governance and Accountability Return is available alongside this guide.

Annual Governance Statement assertions

Assertion 1 — Financial management and preparation of accounting statements

We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements. To warrant a positive response to this assertion, the following processes need to be in place and effective:

- 1.8 Budgeting — In accordance with relevant legislation, the authority needs to prepare and approve a budget in a timely manner before setting a precept or rates and prior to the commencement of the financial year. It needs to monitor actual performance

against its budget during the year, taking corrective action where necessary. A financial appraisal needs to be undertaken before the authority commences any significant project or enters into any long-term commitments.

- 1.9 Accounting records and supporting documents — All authorities, other than parish meetings where there is no parish council, need to appoint an officer to be responsible for the financial administration of the authority in accordance with section 151 of the Local Government Act 1972. Section 150(6) of the same Act makes the chair of a parish meeting (where there is no parish council) responsible for keeping its accounts. The authority needs to have satisfied itself that its Responsible Finance Officer (RFO) has determined a system of financial controls and discharged their duties under Regulation 4 of the Accounts and Audit Regulations 2015. The RFO needs to have put in place effective procedures to accurately and promptly record all financial transactions and maintain up to date accounting records throughout the year, together with all necessary supporting information. The accounting statements in Section 2 of the Annual Governance and Accountability Return need to agree to the underlying records.
- 1.10 Bank reconciliation — Statements reconciling each of the authority's bank accounts with its accounting records need to be prepared on a regular basis, including at the financial year-end and reviewed by members of the authority.
- 1.11 Investments — Arrangements need to be in place to ensure that the authority's funds are managed properly and that any amounts surplus to requirements is invested appropriately, in accordance with an approved strategy which needs to have regard to DLUHC's statutory Guidance on local government investments. If total investments are to exceed the threshold specified in DLUHC's statutory guidance at any time during a financial year, the authority needs to produce and approve an annual Investment Strategy in accordance with the DLUHC guidance.
- 1.12 Statement of accounts — The authority needs to ensure that arrangements are in place to enable the preparation of an accurate and timely statement of accounts in compliance with its statutory obligations and proper practices.
- 1.13 Reserves — The authority needs to have regard to the need to put in place a General Reserve Policy and have reviewed the level and purpose of all Earmarked Reserves. Supporting information on financial management and the preparation of accounting statements can be found in Section 5.

Assertion 2 — Internal control

We maintained an adequate system of internal control, including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.

To warrant a positive response to this assertion, the following processes need to be in place and effective:

- 1.14 Standing Orders and Financial Regulations. The authority needs to have in place standing orders and financial regulations governing how it operates. Financial regulations need to incorporate provisions for securing competition and regulating the way tenders are invited. These need to be regularly reviewed, fit for purpose, and adhered to.
- 1.15 Safe and Efficient Arrangements to Safeguard Public Money. Practical and resilient arrangements need to exist covering how the authority orders goods and services, incurs liabilities, manages debtors, makes payments, and handles receipts. Authorities need to have in place safe and efficient arrangements to safeguard public money. Where doubt exists over what constitutes money, the presumption is that it falls within the scope of this guidance.
 - 1.15.1 Authorities need to regularly review the effectiveness of their arrangements to protect money. Every authority needs to arrange for the proper administration of its financial affairs and ensure that one of its officers (the RFO) has formal responsibility for those affairs (see paragraph 1.9 above).
 - 1.15.2 Authorities need to ensure controls over money are embedded in Standing Orders and Financial Regulations. Section 150(5) of the Local Government Act 1972 required cheques or orders for payment to be signed by two elected members. Whilst this requirement has now been repealed, the 'two-member signatures' control needs to remain in place until such time as the authority has put in place safe and efficient arrangements in accordance with paragraphs 1.15.3 to 1.15.6 of this guide.
 - 1.15.3 Authorities need to approve the setting up of, and any changes to, accounts with banks or other financial institutions. Authorities also need to approve any decisions to enter 'pooling' or 'sweep' arrangements whereby the bank periodically aggregates the authority's various balances via automatic transfers.
 - 1.15.4 If held, corporate credit card accounts need to have defined limits and be cleared monthly by direct debit from the main bank account. Credit card balances are not acceptable reconciling items for bank reconciliation purposes.
 - 1.15.5 The authority needs to approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.
 - 1.15.6 Risk assessment and internal controls need to focus on the safety of the authority's assets, particularly money. Those with direct responsibility for money need to undertake appropriate training from time to time.
- 1.16 Employment — The remuneration payable to all employees needs to be approved in advance by the authority. In addition to having robust payroll arrangements which cover the accuracy and legitimacy of payments of salaries and wages, and associated liabilities, the authority needs to ensure that it has complied with its duties under employment legislation and has met its pension obligations.
- 1.17 VAT — The authority needs to have robust arrangements in place for handling its responsibilities regarding VAT.

- 1.18 Fixed Assets and Equipment — The authority's assets need to be secured, properly maintained, and efficiently managed. Appropriate procedures need to be followed for any asset disposal and for the use of any resulting capital receipt.
- 1.19 Loans and long-term liabilities — Authorities need to ensure that any loan or similar commitment is only entered into after the authority is satisfied that it can be afforded and that relevant approvals have been obtained. Proper arrangements need to be in place to ensure that funds are available to make repayments of capital and any associated interest and other liabilities.
- 1.20 Review of effectiveness — Regulation 6 of the Accounts and Audit Regulations 2015 requires the authority to conduct a financial year review of the effectiveness of the system of internal control. The review needs to inform the authority's preparation of its annual governance statement.
- 1.21 Supporting information on internal control can be found in Section 5.

Assertion 3 — Compliance with laws, regulations and proper practices

We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and proper practices that could have a significant financial effect on the ability of this smaller authority to conduct its business or on its finances.

To warrant a positive response to this assertion, the following processes need to be in place and effective:

- 1.22 Acting within its powers — All authorities' actions are controlled by statute. Therefore, appropriate decision-making processes need to be in place to ensure that all activities undertaken fall within an authority's powers to act. Authorities need to have robust procedures in place to prevent any decisions or payments being made that are ultra vires, i.e. that the authority does not have the lawful power to make. The exercise of legal powers needs always to be carried out reasonably. For that reason, authorities making decisions need always to understand the power(s) they are exercising in the context of their decision making.
- 1.23 General power of competence — An authority seeking to exercise a general power of competence under the Localism Act 2011 needs to ensure that the power is fully understood and exercised in accordance with the Parish Councils (General Power of Competence) (Prescribed Conditions) Order 2012.
- 1.24 Regulations and proper practices — Procedures need to be in place to ensure that an authority's compliance with statutory regulations and applicable proper practices is regularly reviewed and that new requirements, or changes to existing ones, are reported to members and applied. Authorities need to have particular regard to the requirements of the Accounts and Audit Regulations 2015.

- 1.25 Actions during the year — An authority needs to have satisfied itself that it has not taken any decision during the year, or authorised any action, that exceeds its powers or contravenes any laws, regulations, or proper practices.
- 1.26 Email management - every authority should have an email account that belongs to the council and to which the council has access.
- 1.27 Supporting information on compliance with laws, regulations and proper practices can be found in Section 5.

Assertion 4 — Exercise of public rights

We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.

In order to warrant a positive response to this assertion the authority needs to have taken the following actions in respect of the previous year's Annual Governance and Accountability Return:

- 1.28 Exercise of public rights. The authority provided for the exercise of public rights is set out in Sections 26 and 27 of the Local Audit and Accountability Act 2014. Part 5 of the Accounts and Audit Regulations 2015 requires the RFO to have published, including on the authority's website or another website:
 - Sections 1 and 2 of the Annual Governance and Accountability Return;
 - a declaration that the status of the statement of accounts is 'unaudited'; and
 - a statement that sets out details of how public rights can be exercised, as set out in Regulation 15(2)(b), which includes the period for the exercise of public rights.
- 1.29 External Auditor's Review — A notice of the conclusion of the external auditor's limited assurance review of the Annual Governance and Accountability Return, together with relevant accompanying information, was published (including on the authority's website or other website) in accordance with the requirements of Regulation 16 the Accounts and Audit Regulations 2015.
- 1.30 A parish meeting may meet the publication requirements by displaying the information in question in a conspicuous place in the area of the authority for at least 14 days.
- 1.31 Supporting information on the exercise of public rights can be found in Section 5.

Assertion 5 — Risk management

We carried out an assessment of the risks facing this smaller authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.

In order to warrant a positive response to this assertion, the authority needs to have the following arrangements in place:

- 1.32 Identifying and assessing risks — The authority needs to identify, assess and record risks associated with actions and decisions it has taken or considered taking during the year that could have financial or reputational consequences.
- 1.33 Addressing risks — Having identified, assessed and recorded the risks, the authority needs to address them by ensuring that appropriate measures are in place to mitigate and manage risk. This might include the introduction of internal controls and/or appropriate use of insurance cover.
- 1.34 Supporting information on risk management can be found in Section 5.

Assertion 6 — Internal Audit

We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.

In order to warrant a positive response to this assertion, the authority needs to have taken the following actions:

- 1.35 Internal audit — The authority needs to appoint an independent and competent person to undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes considering internal auditing guidance for smaller authorities.
- 1.36 The internal auditor must be able to demonstrate independence from the council's financial decision making. The Clerk, RFO or Councillors (or close associates such as family members of those individuals) are not considered independent from the council's financial decision making.
- 1.37 Provision of information — The authority needs to ensure it has taken all necessary steps to facilitate the work of those conducting the internal audit, including making available all relevant documents and records and supplying any information or explanations required. The internal auditor is expected to inspect all documentation which should be supplied by the council on request from the auditor.
- 1.38 Non-statutory guidance on internal audit can be found in Section 4.

Assertion 7 — Reports from Auditors

We took appropriate action on all matters raised in reports from internal and external audit.

- 1.39 To warrant a positive response to this assertion, the authority needs to have considered all matters brought to its attention by its external auditor and internal audit and taken corrective action as appropriate.
- 1.40 Supporting information on reports from auditors can be found in Section 5.

Assertion 8 — Significant events

We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this smaller authority and, where appropriate have included them in the accounting statements.

To warrant a positive response to this assertion, the authority needs to have taken the following actions where necessary:

- 1.41 Significant events — The authority needs to have considered if any events that occurred during the financial year (or after the year-end), have consequences, or potential consequences, on the authority's finances. If any such events are identified, the authority then needs to determine whether the financial consequences need to be reflected in the statement of accounts.
- 1.42 Supporting information on significant events can be found in Section 5.

Assertion 9 — Trust Funds (local councils only)

Trust funds (including charitable). In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.

- 1.43 Where a local authority acts as a sole managing trustee for a trust or trusts, to warrant a positive response to this assertion the authority needs to have made sure that it has discharged all of its responsibilities with regard to the trust's finances. This needs to include financial reporting and, if required, independent examination or audit.
- 1.44 Regardless of the above, the financial transactions of the trust do not form part of the authority's accounts and are therefore not included in the figures reported on Section 2 of its Annual Governance and Accountability Return (see paragraph 2.30 below).
- 1.45 Supporting information on trust funds can be found in Section 5.

Approval process

- 1.46 The authority needs to approve the annual governance statement by resolution of members of the authority meeting as a whole, in advance of the authority approving the accounting statements in Section 2 of the Annual Governance and Accountability



Return. The Chair of the meeting and the Clerk need to sign and date the annual governance statement and a minute reference entered.