



FAIR OAK & HORTON HEATH PARISH COUNCIL

• 2 Knowle Park Lane, Fair Oak, Eastleigh, SO50 7GL ☎ (023) 8069 2403

✉ enquiries@fairoak-pc.gov.uk 🌐 www.fairoak-pc.gov.uk

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SUMMONS

Dear Member

4 July 2023

You are hereby summoned to attend a meeting of the FINANCE COMMITTEE held on Monday, 10 July 2023 at 10.00 a.m. at the Parish Office, 2 Knowle Park Lane, Fair Oak.

Melanie Stephens

Melanie Stephens, Parish Clerk

PUBLIC PARTICIPATION: This meeting is open to members of the public. If you wish to speak at the meeting, you should submit a request by email to clerk@fairoak-pc.gov.uk by 4pm on Friday 7 July 2023.

AGENDA

APOLOGIES

1 DECLARATIONS OF INTEREST

To receive declarations of interest and dispensation requests.

2 MINUTES (PAPER A, PAGES 3-5)

To note the minutes of the meeting held on 16 March 2023.

3 ELECTION OF VICE-CHAIRMAN

To elect a vice-chairman for the forthcoming municipal year.

4 QUARTERLY FINANCIAL MONITORING REPORT (REPORT B, PAGES 6-22)

To approve the report of the Finance Officer.

5 FINANCE RISK ASSESSMENT (REPORT C, PAGES 23-31)

To approve the Council's Finance Risk Assessment.

6 FINANCE REGULATIONS (REPORT D, PAGES 32-58)

To review and recommend to Council the adoption of the Finance Regulations.

7 STAFF RECOGNITION AWARDS (REPORT E, PAGES 59-65)

To review the current scheme.

8 STAFF BENEFITS (VERBAL REPORT)

To review staff benefits and consider the introduction of new benefits including BUPA.

9 STAFF TOIL/OVERTIME (VERBAL REPORT)

To discuss the management of staff toil/overtime and payments.

10 BANK MANDATE

RECOMMENDATION

That Finance Committee members & Senior Officers be signatories for the Council's bank mandate.

11 WORK PROGRAMME (REPORT F, PAGE 66)

To consider the Committee's work programme and make changes as necessary.

To: Councillors

Cllr P Barrett

Cllr H Douglas (Chairman)

Cllr W Chivuchi

Cllr N Couldrey

Cllr K Forfar

Cllr T Higby

Cllr M Marsh

Cllr B Tennent

Officers

Mrs J Cahill (RFO)

Ms M Stephens (Clerk)

Mrs M Leadbitter-Allen (Deputy Clerk)



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**Minutes of the FINANCE COMMITTEE meeting held on
Tuesday 16 March 2023 at 10.00am
at the Fair Oak Parish Office, 2 Knowle Park Lane, Fair Oak**

P – present, Pt – part of the meeting, Ab – absent, Ap – apologies.

P	Cllr Barrett	P	Cllr Douglas (Chairman)
P	Cllr Higby (Vice Chairman)	Ab	Cllr McGuinness
Ap	Cllr Couldrey	P	Cllr Forfar
Ap	Cllr Marsh	P	Cllr Tennent

Officers in attendance:

Joanna Cahill, Responsible Finance Officer, and Melanie Stephens, Clerk

PUBLIC SESSION

No members of the public were present.

14 DECLARATIONS OF INTEREST

There were none.

15 MINUTES OF MEETINGS (PAPER A)

RESOLVED:

That the minutes of the meeting held on 6 December 2022 be noted.

16 FINANCIAL MONITORING (REPORT B)

The Committee considered the financial position of the Council as at 3 March 2023.

Members noted the income and expenditure variations and the commentary provided by Officers.

The Responsible Finance Officer confirmed that at the close of the 2022/23 financial year, the Council would have a balanced budget.

RESOLVED:

That the report of the Finance Officer as outlined in the report be noted.

17 ALLOCATION OF CAPITAL RESERVES 23/24 (REPORT C)

The Committee noted the allocation of capital reserves for the 2023/24 financial year.

RESOLVED:

That the allocation of capital reserves for 2023/2024 be approved.

18 INVESTMENT STRATEGY (REPORT D)

The Committee reviewed the Investment Strategy as set out in the report and thanked the staff for the work put into producing the document.

RESOLVED:

That the Investment Strategy be approved.

19 RESPONSIBLE FINANCE OFFICER (RFO) PROTOCOL (REPORT E)

The Committee considered the RFO protocol an suggested amendment at paragraph 5.1 that the Deputy Clerk, Michelle Leadbitter-Allen, be nominated as the RFO's deputy.

RESOLVED:

That the Responsible Finance Officer Protocol be approved, subject to the suggested amendment above.

20 ICE CREAM VAN LICENCE

The Clerk outlined plans for a licence for a local ice-cream van provider, to cover the operating period of the new splashpad, namely May-September at New Century Park.

The licence covers sole use for the Marucci Ice Cream van to trade on New Century Park on a trial basis for the year 2023 at the sum of £1,000.

RESOLVED:

That Marucci Ice Cream Van be permitted to trade on licence at the sum set out above.

21 WORK PROGRAMME (REPORT F)

RESOLVED:

That the work programme is noted.

Signed.....Chairman

Accessibility - should you need to view these minutes in an alternative format please
contact: enquires@fairoak-pc.gov.uk

FINANCE COMMITTEE – 10 JULY 2023

FINANCIAL MONITORING REPORT – QUARTER 4 FINANCIAL COMMENTARY FOR THE PERIOD 01 APRIL 2023 TO 30 JUNE 2023

1. INTRODUCTION

- 1.1 This is a monitoring report on the current position relating to the 2023/24 budget approved by the Council on 19 December 2022.

2. BACKGROUND

- 2.1. It is important that the Council manages its finances prudently. The Council undertakes a continuous review of its finances with monthly reports from the Responsible Finance Officer on highlighting the current bank balances and BAC transfers. In addition, quarterly budget monitoring reports form an important part of the review process and support the ongoing development of the budget planning for the forthcoming financial year.

3. BUDGET 2023/4

- 3.1. A budget of **£605,130** for 2023/24 was agreed by the Council in December 2022. The full budget is attached at Appendix 1 (current year –agreed column).
- 3.2. The Council has received £4,273 for interest income for the first 3 months of the financial year against a full-year budget of £3,000.
- 3.3. The Council has only had 3 months of spending so far. All codes are within budget, except for electricity for both the Parish Office – (Current overspend is £3,606 - spend so far is £6,406 against a full year Budget of £2,800), and Horton Heath Community Centre – (Current overspend is £2,051 - spend so far is £3,606 against a full year Budget of £2,051)
- 3.3.1. For the Parish Office – The latest invoice for the months of April and May totalled £5,789 (excluding vat).
- 3.3.2. The Council was previously charged based on an estimated usage, when the actual figure was submitted this exposed a large difference between the estimated and actual figures which was subsequently charged for in June.
- 3.3.3. In order to continue to mitigate the financial impact of electricity costs, The Council will explore the cost of an additional solar panel and battery storage (which can be funded from the Parish Office Earmarked Reserve – current fund of £10,209).
- 3.3.4. In order to mitigate the financial impact across all sites- The Council will explore alternative suppliers and tariffs (for example dual tariffs (where the council will be charged less for the use of electricity at certain times of the day (for example - during the night).
- 3.3.5. The Council will limit using machinery which requires electric charging for the time being and will use machinery that utilises fuel.
- 3.3.6. The Council will also be selling a Diesel van which is no longer required (estimated value £5,000), which can help offset utility costs.

4. TOTALS

4.1. Totals as of 30th June (period 3) are: -

Total Income: - £335,398 (£297,520 relates to 1st half precept)

Total Expenditure: - £135,600

5. EARMARKED RESERVES

5.1. Appendix 2 shows the current position regarding the Council's Ear Marked Reserves.

6. GENERAL RESERVES

6.1. As part of the last internal audit, the Auditor stated that the general reserve of the council is now significantly above the level in the guidance. The reserves should be no more than 3 months of revenue expenditure (approximately £125,000) Councils do not have the power to hold savings. Precepted funds should be used in a timely manner for the benefit of residents.

6.2. The general reserves are currently £176,998.

7. ACCOUNT BALANCES

7.1. The current balances for all 3 of the Council's accounts as at 30th June are as follows: -

Current Account - £89,390

Premier Account - £441,674

Public Sector Account - £254,026

8. RECOMMENDATION

8.1. It is recommended that Committee notes the latest budget position as at 30th June as set out in Appendix 1 to this report.

For further information:

Melanie Stephens, Parish Clerk

clerk@fairoak-pc.gov.uk

Joanna Cahill, Responsible Finance Officer

finance@fairoak-pc.gov.uk

Background papers:

None.

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
100	<u>Income</u>											
1076	Precept	469,918	469,918	0	0	495,030	0	495,030	247,510	0	0	0
1090	Interest Received	500	7,647	0	0	3,000	0	3,000	4,273	0	0	0
1300	Football Income	4,500	6,081	0	0	4,500	0	4,500	363	0	0	0
1310	Cricket Income	2,500	2,500	0	0	2,600	0	2,600	0	0	0	0
1550	Tennis Income	500	1,837	0	0	2,000	0	2,000	562	0	0	0
1900	Other Income	1,000	18,460	0	0	500	0	500	1,011	0	0	0
1905	Section 106 Income	0	810,975	0	0	0	0	0	0	0	0	0
	Total Income	478,918	1,317,418	0	0	507,630	0	507,630	253,719	0	0	0
6001	less Transfer to EMR	0	841,255	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	478,918	476,163			507,630		507,630	253,719	0		
110	<u>Administration</u>											
4000	Salaries	266,501	299,938	0	0	288,493	0	288,493	78,548	0	0	0
4010	Employer's Pension	33,000	75,179	0	0	65,366	0	65,366	18,634	0	0	0
4030	Sickness/Holiday Cover	2,500	1,795	0	0	2,000	0	2,000	711	0	0	0
4055	Insurance	11,000	10,456	0	0	16,000	0	16,000	0	0	0	0
4060	Audit	2,200	2,100	0	0	2,200	0	2,200	-700	0	0	0
4070	Legal & Professional Fees	6,500	12,344	0	0	5,000	0	5,000	1,048	0	0	0
4075	Postage	100	2	0	0	100	0	100	0	0	0	0
4080	Stationery	500	1,268	0	0	500	0	500	9	0	0	0
4085	Printer Consumables	750	956	0	0	1,380	0	1,380	370	0	0	0
4090	Admin Maintenance	1,500	1,001	0	0	1,000	0	1,000	155	0	0	0
4095	Bank Charges	30	62	0	0	50	0	50	15	0	0	0

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4100	Chairman's Allowance	400	321	0	0	400	0	400	0	0	0	0
4105	Conference/Training/Staffing	2,500	2,692	0	0	2,500	0	2,500	71	0	0	0
4110	Clothing	800	1,286	0	0	1,000	0	1,000	202	0	0	0
4120	Telephone & Broadband	2,000	3,469	0	0	5,500	0	5,500	993	0	0	0
4125	Mobile Phone	1,000	312	0	0	1,000	0	1,000	78	0	0	0
4132	Subscriptions	700	1,957	0	0	1,000	0	1,000	357	0	0	0
4133	Software and support	3,300	9,006	0	0	7,734	0	7,734	2,042	0	0	0
4134	Members IT	4,900	5,471	0	0	9,900	0	9,900	146	0	0	0
4140	Card Payments	550	72	0	0	0	0	0	0	0	0	0
4990	Sundry Expenses	700	721	0	0	700	0	700	256	0	0	0
	Overhead Expenditure	341,431	430,408	0	0	411,823	0	411,823	102,935	0	0	0
6000	plus Transfer from EMR	0	38,733	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	(341,431)	(391,675)			(411,823)		(411,823)	(102,935)	0		
150	<u>Parish Office</u>											
1200	Hiring Fees	8,000	7,726	0	0	8,000	0	8,000	1,679	0	0	0
	Total Income	8,000	7,726	0	0	8,000	0	8,000	1,679	0	0	0
4395	Business Rates	16,320	15,220	0	0	16,320	0	16,320	17,216	0	0	0
4400	Gas	1,100	2,430	0	0	2,800	0	2,800	557	0	0	0
4405	Electricity	1,500	1,496	0	0	2,800	0	2,800	6,406	0	0	0
4410	Water	350	350	0	0	700	0	700	314	0	0	0
4415	Repairs	500	1,605	0	0	500	0	500	0	0	0	0
4420	CCTV Maintenance	100	0	0	0	0	0	0	0	0	0	0

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4425	Health & Safety	2,500	4,498	0	0	3,200	0	3,200	150	0	0	0
4435	Cleaning	500	514	0	0	500	0	500	250	0	0	0
4450	Equipment - Internal	500	222	0	0	500	0	500	13	0	0	0
4680	General Bin Emptying	1,000	875	0	0	1,000	0	1,000	113	0	0	0
4990	Sundry Expenses	50	235	0	0	100	0	100	81	0	0	0
Overhead Expenditure		24,420	27,445	0	0	28,420	0	28,420	25,099	0	0	0
Movement to/(from) Gen Reserve		(16,420)	(19,719)			(20,420)		(20,420)	(23,420)	0		
210	<u>Machinery and Van</u>											
4300	Machinery - General Repairs	2,000	2,515	0	0	2,000	0	2,000	559	0	0	0
4305	Fuel	4,000	4,998	0	0	5,000	0	5,000	1,478	0	0	0
4310	Road Tax	550	580	0	0	600	0	600	640	0	0	0
4315	Maintenance - Vans	2,500	7,591	0	0	2,500	0	2,500	304	0	0	0
4320	Vehicle Insurance	1,200	3,642	0	0	3,000	0	3,000	2,032	0	0	0
Overhead Expenditure		10,250	19,326	0	0	13,100	0	13,100	5,013	0	0	0
Movement to/(from) Gen Reserve		(10,250)	(19,326)			(13,100)		(13,100)	(5,013)	0		
230	<u>Crowdhill Community Building</u>											
1200	Hiring Fees	38,500	29,125	0	0	40,000	0	40,000	6,309	0	0	0
Total Income		38,500	29,125	0	0	40,000	0	40,000	6,309	0	0	0
4120	Telephone & Broadband	600	973	0	0	700	0	700	248	0	0	0
4395	Business Rates	7,500	7,111	0	0	7,500	0	7,500	8,177	0	0	0
4400	Gas	1,000	5,741	0	0	2,000	0	2,000	1,541	0	0	0

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4405	Electricity	2,500	4,037	0	0	3,000	0	3,000	429	0	0	0
4410	Water	350	282	0	0	350	0	350	0	0	0	0
4415	Repairs	1,000	951	0	0	1,000	0	1,000	684	0	0	0
4420	CCTV Maintenance	100	0	0	0	100	0	100	0	0	0	0
4425	Health & Safety	3,305	6,477	0	0	4,500	0	4,500	927	0	0	0
4435	Cleaning	500	1,152	0	0	500	0	500	646	0	0	0
4450	Equipment - Internal	800	724	0	0	500	0	500	0	0	0	0
4455	Equipment - External	900	964	0	0	500	0	500	0	0	0	0
4680	General Bin Emptying	900	-1,351	0	0	1,100	0	1,100	509	0	0	0
4990	Sundry Expenses	100	63	0	0	100	0	100	0	0	0	0
Overhead Expenditure		19,555	27,122	0	0	21,850	0	21,850	13,161	0	0	0
Movement to/(from) Gen Reserve		18,945	2,003			18,150		18,150	(6,852)	0		
240	<u>Pavilion</u>											
1200	Hiring Fees	100	239	0	0	500	0	500	38	0	0	0
1300	Football Income	0	0	0	0	0	0	0	541	0	0	0
Total Income		100	239	0	0	500	0	500	579	0	0	0
4120	Telephone & Broadband	700	700	0	0	700	0	700	143	0	0	0
4400	Gas	500	1,373	0	0	1,000	0	1,000	248	0	0	0
4405	Electricity	500	442	0	0	1,000	0	1,000	0	0	0	0
4410	Water	200	41	0	0	300	0	300	0	0	0	0
4415	Repairs	2,000	1,850	0	0	1,000	0	1,000	610	0	0	0
4420	CCTV Maintenance	100	70	0	0	100	0	100	0	0	0	0

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4425	Health & Safety	2,500	2,480	0	0	2,500	0	2,500	135	0	0	0
4435	Cleaning	100	0	0	0	100	0	100	0	0	0	0
4680	General Bin Emptying	600	947	0	0	1,000	0	1,000	439	0	0	0
Overhead Expenditure		7,200	7,903	0	0	7,700	0	7,700	1,575	0	0	0
Movement to/(from) Gen Reserve		(7,100)	(7,664)			(7,200)		(7,200)	(997)	0		
250	HHCC											
1200	Hiring Fees	32,000	30,510	0	0	30,000	0	30,000	5,316	0	0	0
Total Income		32,000	30,510	0	0	30,000	0	30,000	5,316	0	0	0
4120	Telephone & Broadband	700	606	0	0	700	0	700	18	0	0	0
4395	Business Rates	3,060	2,645	0	0	3,060	0	3,060	2,502	0	0	0
4400	Gas	1,000	3,876	0	0	1,500	0	1,500	261	0	0	0
4405	Electricity	1,000	2,634	0	0	1,500	0	1,500	3,551	0	0	0
4410	Water	400	523	0	0	400	0	400	179	0	0	0
4415	Repairs	500	2,261	0	0	800	0	800	0	0	0	0
4420	CCTV Maintenance	100	0	0	0	0	0	0	0	0	0	0
4425	Health & Safety	3,282	3,001	0	0	3,282	0	3,282	135	0	0	0
4435	Cleaning	100	100	0	0	100	0	100	0	0	0	0
4450	Equipment - Internal	50	0	0	0	50	0	50	0	0	0	0
4595	General Maintenance	300	0	0	0	300	0	300	0	0	0	0
4680	General Bin Emptying	1,000	976	0	0	1,000	0	1,000	240	0	0	0
Overhead Expenditure		11,492	16,622	0	0	12,692	0	12,692	6,886	0	0	0
Movement to/(from) Gen Reserve		20,508	13,889			17,308		17,308	(1,570)	0		

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
280	<u>Other Properties</u>											
4480	Bus Shelters	100	266	0	0	100	0	100	0	0	0	0
4485	Memorial	50	0	0	0	50	0	50	0	0	0	0
4490	Memorial Clock	500	860	0	0	500	0	500	0	0	0	0
4505	Village Flowers	3,300	2,354	0	0	3,000	0	3,000	1,510	0	0	0
	Overhead Expenditure	3,950	3,479	0	0	3,650	0	3,650	1,510	0	0	0
6000	plus Transfer from EMR	0	352	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	(3,950)	(3,127)			(3,650)		(3,650)	(1,510)	0		
290	<u>General Grounds Maintenance</u>											
4530	Equipment - Purchases	79,000	65,265	0	0	26,000	0	26,000	12,028	0	0	0
4535	Equipment - Maintenance	1,000	493	0	0	1,000	0	1,000	117	0	0	0
4540	Materials	2,000	4,653	0	0	3,000	0	3,000	1,975	0	0	0
	Overhead Expenditure	82,000	70,411	0	0	30,000	0	30,000	14,120	0	0	0
	Movement to/(from) Gen Reserve	(82,000)	(70,411)			(30,000)		(30,000)	(14,120)	0		
300	<u>Lapstone Playing Fields</u>											
4575	Cricket (Winter)	800	0	0	0	800	0	800	585	0	0	0
4580	Football	500	291	0	0	500	0	500	0	0	0	0
4585	Tennis	300	30	0	0	300	0	300	0	0	0	0
4590	Pitch Maintenance	6,800	2,004	0	0	4,500	0	4,500	4,936	0	0	0
4595	General Maintenance	800	670	0	0	800	0	800	0	0	0	0
4600	Dog Bin Emptying	400	653	0	0	600	0	600	53	0	0	0

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Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4670	Signs & Bins	0	0	0	0	50	0	50	0	0	0	0
4675	Signs	0	36	0	0	0	0	0	0	0	0	0
4680	General Bin Emptying	500	55	0	0	500	0	500	0	0	0	0
Overhead Expenditure		10,100	3,739	0	0	8,050	0	8,050	5,574	0	0	0
Movement to/(from) Gen Reserve		(10,100)	(3,739)			(8,050)		(8,050)	(5,574)	0		
310	<u>Knowle Park</u>											
4595	General Maintenance	7,000	6,774	0	0	7,000	0	7,000	0	0	0	0
4630	Fencing	500	128	0	0	500	0	500	0	0	0	0
4635	Security	50	0	0	0	50	0	50	0	0	0	0
4640	Water Supply -White Tree Close	100	0	0	0	100	0	100	0	0	0	0
4645	Seating/Bins	1,500	2,206	0	0	2,000	0	2,000	-130	0	0	0
4670	Signs & Bins	0	209	0	0	100	0	100	40	0	0	0
4675	Signs	0	100	0	0	0	0	0	0	0	0	0
Overhead Expenditure		9,150	9,418	0	0	9,750	0	9,750	-90	0	0	0
Movement to/(from) Gen Reserve		(9,150)	(9,418)			(9,750)		(9,750)	90	0		
320	<u>New Century Park</u>											
4420	CCTV Maintenance	70	70	0	0	70	0	70	0	0	0	0
4595	General Maintenance	500	139	0	0	500	0	500	654	0	0	0
4680	General Bin Emptying	200	0	0	0	200	0	200	0	0	0	0
Overhead Expenditure		770	209	0	0	770	0	770	654	0	0	0
Movement to/(from) Gen Reserve		(770)	(209)			(770)		(770)	(654)	0		

Continued on next page

Fair Oak & Horton Heath Parish Council
Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
330	<u>Knowle Hill</u>											
4595	General Maintenance	100	235	0	0	300	0	300	0	0	0	0
	Overhead Expenditure	100	235	0	0	300	0	300	0	0	0	0
	Movement to/(from) Gen Reserve	(100)	(235)			(300)		(300)	0	0		
360	<u>Oak Walk</u>											
4595	General Maintenance	100	0	0	0	10	0	10	0	0	0	0
	Overhead Expenditure	100	0	0	0	10	0	10	0	0	0	0
	Movement to/(from) Gen Reserve	(100)	0			(10)		(10)	0	0		
370	<u>Daisy Dip</u>											
4595	General Maintenance	100	0	0	0	100	0	100	0	0	0	0
	Overhead Expenditure	100	0	0	0	100	0	100	0	0	0	0
	Movement to/(from) Gen Reserve	(100)	0			(100)		(100)	0	0		
380	<u>Wyvern Meadow</u>											
4595	General Maintenance	100	0	0	0	100	0	100	0	0	0	0
	Overhead Expenditure	100	0	0	0	100	0	100	0	0	0	0
	Movement to/(from) Gen Reserve	(100)	0			(100)		(100)	0	0		
400	<u>Play Areas General</u>											
4595	General Maintenance	600	340	0	0	600	0	600	0	0	0	0
4750	ROSPA Fees	0	473	0	0	500	0	500	0	0	0	0

Continued on next page

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
	Overhead Expenditure	600	813	0	0	1,100	0	1,100	0	0	0	0
	Movement to/(from) Gen Reserve	(600)	(813)			(1,100)		(1,100)	0	0		
410	<u>New Century Park Play Area</u>											
4595	General Maintenance	200	0	0	0	200	0	200	137	0	0	0
4993	New Century Park Playarea	0	465	0	0	500	0	500	0	0	0	0
	Overhead Expenditure	200	465	0	0	700	0	700	137	0	0	0
	Movement to/(from) Gen Reserve	(200)	(465)			(700)		(700)	(137)	0		
420	<u>Dean Road Play Area</u>											
4595	General Maintenance	100	0	0	0	100	0	100	118	0	0	0
	Overhead Expenditure	100	0	0	0	100	0	100	118	0	0	0
	Movement to/(from) Gen Reserve	(100)	0			(100)		(100)	(118)	0		
430	<u>Meadowsweet Way Play Area</u>											
4595	General Maintenance	500	353	0	0	500	0	500	0	0	0	0
	Overhead Expenditure	500	353	0	0	500	0	500	0	0	0	0
	Movement to/(from) Gen Reserve	(500)	(353)			(500)		(500)	0	0		
440	<u>Knowle Park Play Area</u>											
4595	General Maintenance	800	1,370	0	0	2,000	0	2,000	0	0	0	0
4670	Signs & Bins	100	0	0	0	100	0	100	81	0	0	0
4675	Signs	0	22	0	0	50	0	50	0	0	0	0

Continued on next page

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
4770	Skatepark	500	0	0	0	500	0	500	0	0	0	0
	Overhead Expenditure	1,400	1,392	0	0	2,650	0	2,650	81	0	0	0
	Movement to/(from) Gen Reserve	(1,400)	(1,392)			(2,650)		(2,650)	(81)	0		
450	<u>Pembers Hill Church Yard</u>											
4595	General Maintenance	100	0	0	0	100	0	100	0	0	0	0
	Overhead Expenditure	100	0	0	0	100	0	100	0	0	0	0
	Movement to/(from) Gen Reserve	(100)	0			(100)		(100)	0	0		
460	<u>Pembers Hill Drive</u>											
4595	General Maintenance	1,000	0	0	0	1,000	0	1,000	0	0	0	0
	Overhead Expenditure	1,000	0	0	0	1,000	0	1,000	0	0	0	0
	Movement to/(from) Gen Reserve	(1,000)	0			(1,000)		(1,000)	0	0		
470	<u>Upper Barne Copse</u>											
4595	General Maintenance	1,000	177	0	0	1,000	0	1,000	0	0	0	0
	Overhead Expenditure	1,000	177	0	0	1,000	0	1,000	0	0	0	0
6000	plus Transfer from EMR	0	900	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	(1,000)	723			(1,000)		(1,000)	0	0		
480	<u>Crowdhill Drive</u>											
4595	General Maintenance	1,000	744	0	0	1,000	0	1,000	136	0	0	0
	Overhead Expenditure	1,000	744	0	0	1,000	0	1,000	136	0	0	0

Continued on next page

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
Movement to/(from) Gen Reserve		<u>(1,000)</u>	<u>(744)</u>			<u>(1,000)</u>		<u>(1,000)</u>	<u>(136)</u>	<u>0</u>		
490	<u>Fair Oak Library</u>											
4395	Business Rates	0	-1,551	0	0	0	0	0	0	0	0	0
4420	CCTV Maintenance	0	70	0	0	0	0	0	0	0	0	0
4425	Health & Safety	0	497	0	0	500	0	500	0	0	0	0
4595	General Maintenance	4,500	4,362	0	0	3,000	0	3,000	951	0	0	0
	Overhead Expenditure	<u>4,500</u>	<u>3,378</u>	<u>0</u>	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>3,500</u>	<u>951</u>	<u>0</u>	<u>0</u>	<u>0</u>
6000	plus Transfer from EMR	0	-3,856	0	0	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve		<u>(4,500)</u>	<u>(7,234)</u>			<u>(3,500)</u>		<u>(3,500)</u>	<u>(951)</u>	<u>0</u>		
500	<u>Allotments</u>											
1500	Allotment Income	3,000	3,710	0	0	4,000	0	4,000	0	0	0	0
1550	Tennis Income	0	17	0	0	0	0	0	0	0	0	0
	Total Income	<u>3,000</u>	<u>3,726</u>	<u>0</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>4,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
4410	Water	300	133	0	0	300	0	300	0	0	0	0
4800	Allotments - Knowle Park	500	0	0	0	500	0	500	0	0	0	0
4805	Allotments - Campbell Way	50	0	0	0	50	0	50	0	0	0	0
4810	Allotments - Knowle Lane Ditch	1,000	0	0	0	1,000	0	1,000	0	0	0	0
4815	Allotments - Pest Control	400	190	0	0	400	0	400	0	0	0	0
4820	Allotments - Toilet	1,100	951	0	0	1,100	0	1,100	263	0	0	0
	Overhead Expenditure	<u>3,350</u>	<u>1,274</u>	<u>0</u>	<u>0</u>	<u>3,350</u>	<u>0</u>	<u>3,350</u>	<u>263</u>	<u>0</u>	<u>0</u>	<u>0</u>
Movement to/(from) Gen Reserve		<u>(350)</u>	<u>2,452</u>			<u>650</u>		<u>650</u>	<u>(263)</u>	<u>0</u>		

Continued on next page

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
510	<u>Cemetery</u>											
1520	Burials Income	7,500	5,508	0	0	7,500	0	7,500	1,698	0	0	0
1530	Memorials Income	3,500	915	0	0	3,500	0	3,500	288	0	0	0
1540	Cremation Income	5,000	1,100	0	0	4,000	0	4,000	144	0	0	0
	Total Income	16,000	7,523	0	0	15,000	0	15,000	2,130	0	0	0
4410	Water	50	165	0	0	115	0	115	0	0	0	0
4595	General Maintenance	800	857	0	0	500	0	500	0	0	0	0
	Overhead Expenditure	850	1,022	0	0	615	0	615	0	0	0	0
	Movement to/(from) Gen Reserve	15,150	6,501			14,385		14,385	2,130	0		
550	<u>Trees</u>											
4825	Tree survey	2,000	1,750	0	0	2,000	0	2,000	1,800	0	0	0
4830	Trees - Lapstone Playing Field	500	518	0	0	500	0	500	380	0	0	0
4831	Trees - Knowle Park	500	1,454	0	0	500	0	500	0	0	0	0
4832	Trees - New Century Park	500	350	0	0	500	0	500	0	0	0	0
4833	Trees - Knowle Hill	500	420	0	0	500	0	500	0	0	0	0
4834	Trees - Lapstone Farm	500	2,930	0	0	500	0	500	0	0	0	0
4835	Trees - Oak Walk	500	0	0	0	500	0	500	0	0	0	0
4836	Trees - Daisy Dip	500	0	0	0	500	0	500	0	0	0	0
4837	Trees - Wyvern Meadow	500	311	0	0	500	0	500	0	0	0	0
4838	Trees - Fair Oak Cemetery	500	470	0	0	500	0	500	0	0	0	0
4839	Trees-HHCC open space	500	0	0	0	500	0	500	0	0	0	0
	Overhead Expenditure	7,000	8,203	0	0	7,000	0	7,000	2,180	0	0	0

Continued on next page

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
Movement to/(from) Gen Reserve		<u>(7,000)</u>	<u>(8,203)</u>			<u>(7,000)</u>		<u>(7,000)</u>	<u>(2,180)</u>	<u>0</u>		
600	<u>Other Expenses</u>											
4850	Section 137 - Grants	4,000	4,200	0	0	4,000	0	4,000	0	0	0	0
4855	Section 137 - Street Pastors	700	700	0	0	700	0	700	0	0	0	0
4860	Village Centre Project	0	91	0	0	0	0	0	0	0	0	0
4865	Election Expenses	500	0	0	0	500	0	500	0	0	0	0
4870	Youth Project	25,000	0	0	0	25,000	0	25,000	25,000	0	0	0
4875	Community Events Expenditure	4,000	4,424	0	0	4,000	0	4,000	1,007	0	0	0
4876	Bishopstoke PC Y zone	0	180	0	0	0	0	0	0	0	0	0
	Overhead Expenditure	<u>34,200</u>	<u>9,595</u>	<u>0</u>	<u>0</u>	<u>34,200</u>	<u>0</u>	<u>34,200</u>	<u>26,007</u>	<u>0</u>	<u>0</u>	<u>0</u>
6000	plus Transfer from EMR	0	570	0	0	0	0	0	0	0	0	0
Movement to/(from) Gen Reserve		<u>(34,200)</u>	<u>(9,025)</u>			<u>(34,200)</u>		<u>(34,200)</u>	<u>(26,007)</u>	<u>0</u>		
900	<u>Reserves Spend</u>											
4882	Community cafe	0	2,900	0	0	0	0	0	48,614	0	0	0
4883	Additonal Tree Spend	0	2,750	0	0	0	0	0	0	0	0	0
4885	Village Name Plates	0	2,000	0	0	0	0	0	0	0	0	0
4888	Lapstone Farm	0	1,072	0	0	0	0	0	1,072	0	0	0
4889	New Century Park	0	255,684	0	0	0	0	0	66,999	0	0	0
4994	New Office&Compund General	0	2,860	0	0	0	0	0	508	0	0	0
4996	RBS Software from gen reserve	0	283	0	0	0	0	0	0	0	0	0
4999	Woodland Community Centre	0	60	0	0	0	0	0	0	0	0	0
5003	Splashpad	0	686	0	0	0	0	0	0	0	0	0

Annual Budget - By Centre (Actual YTD Month 3)

		<u>Last year</u>		<u>Current Year</u>						<u>Next Year</u>		
		Budget	Actual	Brought Forward	Net Virement	Agreed	EMR	Total	Actual YTD	Agreed	EMR	Carried Forward
5004	Village Centre	0	8,654	0	0	0	0	0	3,380	0	0	0
5006	Community Development	0	12,859	0	0	0	0	0	4,828	0	0	0
5007	Public Art	0	5,874	0	0	0	0	0	0	0	0	0
5008	Hot Bins	0	1,164	0	0	0	0	0	0	0	0	0
5010	Community Library Building	0	0	0	0	0	0	0	112,961	0	0	0
5011	Greening Campaign	0	2,371	0	0	0	0	0	0	0	0	0
5012	Crowdhill Green	0	15,678	0	0	0	0	0	23,623	0	0	0
5013	Defibrillators	0	3,469	0	0	0	0	0	-252	0	0	0
5014	Broadwalk	0	47,307	0	0	0	0	0	0	0	0	0
5015	Electric Vehicle	0	21,387	0	0	0	0	0	0	0	0	0
5016	Knowle Park	0	8,976	0	0	0	0	0	1,486	0	0	0
5017	Ops Equipment	0	18,460	0	0	0	0	0	0	0	0	0
	Overhead Expenditure	0	414,494	0	0	0	0	0	263,220	0	0	0
6000	plus Transfer from EMR	0	1,138,642	0	0	0	0	0	263,472	0	0	0
6001	less Transfer to EMR	0	753,820	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	0	(29,673)			0		0	252	0		
	Total Budget Income	576,518	1,396,267	0	0	605,130	0	605,130	269,732	0	0	0
	Expenditure	576,518	1,058,226	0	0	605,130	0	605,130	469,530	0	0	0
	Net Income over Expenditure	0	338,040	0	0	0	0	0	-199,797	0	0	0
	plus Transfer from EMR	0	1,175,341	0	0	0	0	0	263,472	0	0	0
	less Transfer to EMR	0	1,595,076	0	0	0	0	0	0	0	0	0
	Movement to/(from) Gen Reserve	0	(81,694)			0		0	63,674	0		

Appendix 2

03/07/2023

Fair Oak & Horton Heath Parish Council

Page 1

13:02

Earmarked Reserves

	<u>Account</u>	<u>Opening Balance</u>	<u>Net Transfers</u>	<u>Closing Balance</u>
311	EMR- Public Art	0.00		0.00
312	EMR - Village Enhancements	5,195.51	-3,380.00	1,815.51
313	EMR - Hot Bins	0.00		0.00
314	EMR - Living Art	0.00		0.00
315	EMR - Community Library	120,839.62	-112,961.21	7,878.41
316	EMR - Community Development Pos	130,637.46	-18.29	130,619.17
317	EMR- Community Development Pro	77,103.19	-4,809.99	72,293.20
320	EMR - Crowdhill Green	8,996.59	4,459.20	13,455.79
325	EMR - Knowle Park	2,825.10	-1,486.21	1,338.89
330	EMR - Tennis Project	0.00		0.00
335	EMR - Cricket Roller	0.00		0.00
340	EMR - Knowle Park Office &comp	10,716.92	-507.52	10,209.40
345	EMR - Lapstone Farm	61,345.24	-1,072.00	60,273.24
350	EMR - Horton Heath CC	2,708.30		2,708.30
355	EMR - Dean Road play area	0.00		0.00
360	EMR - Community orchard	0.00		0.00
365	EMR - Election expenses	6,000.00		6,000.00
370	EMR - Footpath Leaflet	0.00		0.00
375	EMR -New Century Park	342,614.64	-115,613.18	227,001.46
380	EMR - Knowle park allotments	0.00		0.00
385	EMR - Village Name Plates	0.00		0.00
389	EMR - Community Halls Maint	0.00		0.00
390	EMR - HHCC Flooring	40,250.00		40,250.00
395	EMR - Onsite Maint Knowle Park	6,750.00		6,750.00
396	EMR- Woodland Play Area	125,177.72	-28,082.40	97,095.32
397	EMR- Pembers Hill Play Area	0.00		0.00
398	EMR - Greening Campaign	251.00		251.00
		<u>941,411.29</u>	<u>-263,471.60</u>	<u>677,939.69</u>



FAIR OAK & HORTON HEATH PARISH COUNCIL

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CHAPTER 11

FINANCE RISK ASSESSMENT

Date Adopted 13 July 2021

FAIR OAK AND HORTON HEATH PARISH COUNCIL FINANCIAL MANAGEMENT RISK ASSESSMENT

This document has been produced to enable the Parish Council to assess the risks that it faces and satisfy itself that it has taken adequate steps to minimize them. In conducting this exercise, the following method was followed: -

1. Identify the areas to be reviewed;
2. Identify what the risk may be;
3. Ascertain the risk level;
4. Evaluate the management and control of the risk; and
5. Review, assess and revise the control measures if required.

1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Section One (Insurance to Help Manage Risk)				
Business continuity	Risk of Council not being able to continue its business	L	Considered remote. But risk is covered in the Council's approved emergency resilience and business continuity plan.	Review Emergency Resilience and Business Continuity Plan every 2 years.
Property and contents owned by the Council	Loss or damage	H	Up-to-date register of assets – adequate insurance cover	Annual review of the schedule of assets and insurance.
Damage by third party or to individuals	Public liability	H	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.
Consequential loss of income or the need to provide essential services following critical damage, loss or non-performance by a third party	Public liability	H	Annual review of risk and adequacy of cover	The Council has public liability insurance up to 10 million pounds.
Loss of cash through theft or dishonesty	Fidelity Guarantee	L	The Council is insured for £800,000 Fidelity Cover	
Legal liability as a consequence of asset ownership	Public liability	H	Regular maintenance of properties and adequate insurance cover	The Council has public liability insurance up to 10 million pounds.

1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Section Two (Working with others to help manage risk)				
Security for vulnerable buildings, amenities, and equipment		M	Where a high risk occurs, the Council has installed CCTV to protect from vandalism and theft.	Any repairs required are carried out as quickly as possible. Maintenance contracts have been awarded in respect of CCTV.
The provision of services being carried out under agency/partnership	Standing Orders and Financial Regulations deal with the award of contracts etc.	L	Standing Orders and Financial Regulations are reviewed every year or as and when required.	
Banking arrangements	Detect and deter fraud or corruption	L	Monthly bank reconciliations are completed. The RFO presents a Financial Statement monthly.	
Ad hoc provision of amenities/facilities for events to local community groups	Public liability	L	A copy of the groups public liability insurance is obtained, and prior permission is sought from the Council	
Vehicle or equipment lease or hire		L	The Council has an account with a reputable hire company	
Trading units: – Playing fields Pavilion Cemetery Woodland Community Centre Horton Heath Community Centre	Works are completed in house – external contractors are rarely used	L	The RFO reviews the existing contracts annually.	

1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Professional Services (solicitors, planning etc.)	Standing Orders and Financial Regulations deal with the award of contracts etc.	L	Standing Orders and Financial Regulations are reviewed every year or as and when required.	
Section Three (Self-Managed Risk)				
Non-availability of RFO/Clerk	Ineffective administration of Council	L	Deputy Clerk to cover Clerk or RFO post when needed	Deputy Clerk to cover Clerk or RFO post when needed
Salaries and associated costs	Salaries paid incorrectly/wrong hours/rate paid/wrong tax deductions/unpaid tax contributions	L	Pay slips are produced & checked monthly by the RFO.	The existing payroll system is adequate.
Proper financial records	In accordance with statutory requirements	L	Regular scrutiny of financial records and proper arrangements for the approval of expenditure.	Quarterly accounts submitted to Committee and Council. End-of-year budgets are scrutinised by the Council's internal and external auditors. Accounts are easily accessible to the public for viewing.
Budget	Inadequate monitoring	L	Budget T&F group set budget in Oct & Nov; final budget agreed by Council in December. Financial reviews conducted on a quarterly basis.	Existing procedure of regular reporting and monitoring by Full Council is adequate.
Payments Approval	Inadequate checks	L	A monthly finance statement is reviewed and approved by Council. This includes bank reconciliation and a breakdown of receipts and payments. Payments are agreed by Full Council and	Existing procedure of regular reporting and monitoring by Full Council is adequate.

			signed by 2 bank-mandated councillors. A hard copy is stored in the minute book for internal audit and public scrutiny.	
1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Annual Returns	Return submitted late	L	Annual returns completed by the RFO every April. Annual return approved by full Council before submission.	Reviewed annually.
Business activities	Ensuring they are within the legal powers applicable to Local Councils	L	Recording in the reports presented to the council of the precise powers under which expenditure is being approved. Checks made by the Internal Auditor.	
Borrowing	Complying with restrictions	L	The Council has no borrowings or loans	
Employment Law and Inland Revenue regulations	Ensuring all requirements are met	L	The Council is a member of the South East Employers and has adopted the green book policy. The Council administers its own payroll internally managed by the RFO.	
VAT	Ensuring all requirements are met under Custom and Excise regulations and that VAT is recovered.	L	Regular returns of VAT are made quarterly. The Council is now VAT registered. VAT claims submitted quarterly as part of budget monitoring.	

1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Reserves & Precept	Inadequacy of existing funds and precept levy, preventing the Council from carrying out its statutory duties and services	L	<p>Council expenditure is monitored by senior officers reporting to the Finance Committee and Full Council.</p> <p>The Council has a policy to maintain reserves, in its public sector fund account not less than half the annual precept amount.</p> <p>The Council determines its precept amount required for the next year by examining the previous year receipts and payments data, a forecast for the year, and a draft budget for the forthcoming year reflecting ongoing costs, financial commitments, proposed changes to expenditure, and corporate projects. Money is then allocated to certain cost centres (headings) by the RFO. Consideration is also given to any income sources. The level of precept amount is then agreed with Eastleigh Borough Council.</p>	Monitoring of the budget and review of forthcoming budget requirements is undertaken regularly by officers and members.

Grants to local community bodies	Ensuring the proper use of funds granted under specific powers or under s.137 and that the allocation of funds is transparent	L	All requests and monitoring of grants are made to the Finance Committee annually.	
1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Council Minutes	Proper, timely and accurate reporting of council business in the minutes	L	Minutes are properly numbered with a master copy kept in safekeeping –minutes are periodically sent to the Archive Office in Winchester.	
Rights of inspection	Responding to electors wishing to exercise their rights of inspection	L	Adoption of the revised Freedom of Information Act Dec 2008	As and when there are relevant changes in legislation
Consultation invitations	L	L	Procedures in place to deal with responses to consultation requests via relevant committees and/or officer delegation.	
Document control/electronic records	Proper systems in place safeguarding potential loss of vital documents	L	Documented procedures for document receipt, circulation, response, handling and filing. Computer records are stored online using Microsoft 365. Accounts system held in supplier server, updated daily.	
Website/social media	Inadequate or outdated information and lack of public engagement with use of website, email and Facebook.	L	Virus checks and website security updates are in place.	Virus software purchased annually

GDPR	Ensure that the Council meets its statutory obligations	M	Necessary corporate documents relating to Data Protection and privacy are adopted and reviewed annually. Council undertakes data audits annually and seeks consent from individuals where data is retained.	GDPR compliance reviewed on an ongoing basis by senior officers.
1. Activity	2. Risks identified	3. Risk level H – High M – Medium L - Low	4. Management/control of Risk	5. Review/Assess/Revise
Section Four (Councillors Propriety)				
Register of Members' Interests and Gifts and Hospitality	In place, complete and up to date	L	Procedures in place for recording and monitoring Members' interests etc.	
Member Interests	Conflict of interest	M	Councillors have a legal duty to declare any interest at the start of meetings.	Existing procedures adequate.
	Register of Members' Interests	L	Register of Members of Interest form to be reviewed at least on an annual basis.	Members to take responsibility to inform the Clerk to any updates to their interest form/register.

**FAIR OAK & HORTON HEATH PARISH COUNCIL**

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CHAPTER 3

FINANCE REGULATIONS

Date Adopted

10 July 2023

FAIR OAK & HORTON HEATH PARISH COUNCIL
FINANCIAL REGULATIONS ENGLAND

INDEX

1. GENERAL.....	2
2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)	5
3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING	7
4. BUDGETARY CONTROL AND AUTHORITY TO SPEND	8
5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS	10
6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS.....	12
7. PAYMENT OF SALARIES	15
8. LOANS AND INVESTMENTS	16
9. INCOME.....	17
10. ORDERS FOR WORK, GOODS, AND SERVICES	18
11. CONTRACTS.....	19
12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS.....	21
13. STORES AND EQUIPMENT	22
14. ASSETS, PROPERTIES AND ESTATES	23
15. INSURANCE	24
16. RISK MANAGEMENT.....	24
17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS	25

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 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 that 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;
 - acts under the policy direction of the council;

- administers the council's financial affairs in accordance with all Acts, Regulations, and proper practices;
 - determines on behalf of the council its accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the council up to date in accordance with proper practices;
 - assists the council to secure economy, efficiency, and effectiveness in the use of its resources; and
 - produces financial management information as required by the council.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the council's transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the council from time to time comply with the Accounts and Audit Regulations.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries from day to day of all sums of money received and expended by the council and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the council; and
 - wherever relevant, a record of the council's income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the council are recorded 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 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/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 the 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 Finance Committee shall review its yearly 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 November each year including any proposals for revising the forecast.
- 3.2. The RFO must each year, by no later than November, prepare detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the following financial year in the form of a budget to be considered by the Finance Committee/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 the 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;
- a duly delegated committee of the council for items over £3,000; or
- the Clerk, in conjunction with Chairman of Council or Chairman of the appropriate committee, for any items below £1000.

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

During a UK emergency for example a pandemic any unbudgeted spends by the Clerk (in consultation with the Chairman and Vice-Chairman of the Council) will be documented via an officer decision list and published on the Council's website.

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 (with exception of spends made during Covid-19 using the process highlighted in 4.1 above). 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 a hard copy schedule signed by the Clerk and the Chairman of Council or relevant committee. 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 extreme risk to the delivery of council services, the clerk may authorise revenue expenditure on behalf of the council which in the clerk's judgement 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 £5,000. The Clerk shall report such action to the chairman as soon as possible 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 budget, 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 15% of the budget.
- 4.9. Changes in earmarked reserves shall be approved by the 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 the council or finance committee. The council or Finance Committee shall review the schedule for compliance and, having satisfied itself shall authorise payment by a resolution of the council or finance committee. The approved schedule shall be ruled off and initialed by the Chairman of the Meeting.
- 5.3. The exception to this is during a UK emergency, all payments will be approved at monthly virtual Council meetings which will be signed at a later date. 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.
- 5.4. 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.
- 5.5. 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 or Finance Committee meeting.
- 5.6. 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 the 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 the 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 of the council or finance committee; or
 - c) fund transfers within the council's banking arrangements up to the sum of £50,000, provided that a list of such payments shall be submitted to the next appropriate meeting of the council or finance committee.
- 5.7. 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 the 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 council or Finance Committee.

- 5.8. 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.
- 5.9. 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.
- 5.10. 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.
- 5.11. The council will aim to rotate the duties of members in these Regulations so that onerous duties are shared out as evenly as possible over time.
- 5.12. Any changes in the recorded details of suppliers, such as bank account records, shall be approved in writing by a Member.

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 BACS or other instructions to the council's bankers, or otherwise, in accordance with a resolution of council or duly delegated committee.
- 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 members of the 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 or Finance Committee 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 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 RFO. A programme of regular checks of standing data with suppliers will be followed.
- 6.18. Any Debit Card issued for use will be specifically restricted to the Clerk, Deputy Clerk and the RFO and will also be restricted to a single transaction maximum value of £500 unless authorised by council or finance committee in writing before any order is placed.
- 6.19. A pre-paid debit card may be issued to employees with varying limits. These limits will be set by the Finance Committee. Transactions and purchases made will be

reported to the council and authority for topping-up shall be at the discretion of the council.

- 6.20. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the Clerk, Operations Manager and RFO and shall be subject to automatic payment in full at each month-end. 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.
- a) The RFO shall maintain a petty cash float of £150 for the purpose of defraying operational and other expenses.
 - 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 or Finance Committee.
- 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 (confidential cash book). 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
 - d) by any person authorised under Audit Commission Act 1998, or any superseding legislation.
- 7.5. 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.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the council. Termination payments shall only be authorised by council.
- 7.8. Before employing interim staff the council must consider a full business case.

8. LOANS AND INVESTMENTS

- 8.1. All borrowings shall be affected 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 and investment providers 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.

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 that relate to items (i) to (vi) below:
 - i. for the supply of gas, electricity, water, sewerage, and telephone services;
 - ii. for specialist services such as are provided by legal professionals acting in disputes;
 - iii. for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
 - iv. for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the council;
 - v. for additional audit work of the external auditor up to an estimated value of £500 (in excess of this sum the Clerk and RFO shall act after consultation with the Chairman and Vice Chairman of the council); and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- b. Where the council intends to procure or award a public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 (“the Regulations”) which is valued at £25,000 or more, the council shall comply with the relevant requirements of the Regulations².
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract, or public works contract which exceeds thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time)³.
- d. **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.**
- e. 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.
- f. Such invitation to tender shall state the general nature of the intended contract and the Clerk shall obtain the necessary technical assistance to prepare a specification in appropriate cases. The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post. Each

² The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts, and to publicise the award of new contracts³ 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)

tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract.

- f. All sealed tenders shall be opened at the same time on the prescribed date by the Clerk in the presence of at least one member of council.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders 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 obtain 3 quotations (priced descriptions of the proposed supply); where the value is above £3,000 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.

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 Operations Manager 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 the council in respect of the 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 the 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 in consultation with the Clerk.
- 15.2. The Clerk shall give prompt notification to the RFO of all new risks, properties or vehicles which require to be insured and of any alterations affecting existing insurance.
- 15.3. The RFO shall keep a record of all insurances effected by the council and the property and risks covered thereby and annually review it.
- 15.4. 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 the council at the next available meeting.
- 15.5. 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. RISK MANAGEMENT

- 16.1. The council is responsible for putting in place arrangements for the management of risk. The Clerk with the RFO 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.
- 16.2. When considering any new activity, the Clerk with the RFO shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the council.

17. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 17.1. It shall be the duty of the council to review the Financial Regulations of the council annually as per the Council's Constitution. 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.
- 17.2. The council may, by resolution of the council duly notified prior to the relevant meeting of council, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all members of council.

FINANCE COMMITTEE – 10 JULY 2023

POLICY FOR THE AWARD OF RECOGNITION PAYMENTS

1. RECOMMENDATION

- 1.1. That the Committee considers the amendments to the current policy as set out in Appendix 1 to the report;
- 1.2. That a annual staff award process be agreed, the details of which to be drawn up by the Clerk;
- 1.3. That members consider any staff awards for this financial year; and
- 1.4. That staff be offered a 25% discount of Council services.

2. PURPOSE

- 2.1. To consider proposed amendments to the current policy for the award of recognition payments to staff.

3. BACKGROUND

- 3.1. At the Council meeting on 19 October 2020 the Clerk requested that, in recognition of the dedication and hard work of staff particularly in the face of the COVID-19 pandemic, the Council consider adopting a special recognition award. The policy was approved 21 December 2020.
- 3.2. To date four awards have been given across the four levels (as set out below).

4. ISSUES FOR CONSIDERATION

- 4.1. The Committee is asked to review the current policy for staff recognition payments so that system is tiered for previous awardees.
- 4.2. The current scheme operates a fixed award approach; comprising of four levels of payment, with a set amount for each. The four levels are £150, £350, £700 and £1,000.
- 4.3. In order to qualify for a payment, an employee must:
 - have delivered work that was either above (at a higher competency level) or beyond (taken on additional work at the same competency level) or a combination of both;
 - have positively demonstrated all the behavioural competencies in their job description (i.e. how they have carried out their job);
 - be on track to meet all agreed objectives, and to exceed some objectives, as outlined in their annual performance review;

- not have already received any other payment in recognition of this work (e.g. an acting up or honorarium payment);
- not have received a recognition payment in the previous 12-month period.

4.4. In order to decide which level of payment to award, the Clerk/Council consider:

- (a) The type and level of work carried out, over and above the employee's usual role;
- (b) The impact of the work on the team, the Parish Council, community at large;
- (c) The competencies demonstrated, such as: -
 - Working with others
 - Leadership
 - Delivering results
 - Benefits/value added to the Council
 - Impact on the wider community

5. PROPOSED CHANGES

- 5.1 The proposed changes offers a more in-depth review system, so that Clerk, along with the Chair of the Council, review continued exceptional performance of staff who have previous awards, and continue to 'go that extra mile'. The review would form part of the annual appraisal process.
- 5.2 A more informal staff award process will also be implemented by the Clerk by way of an annual staff award which members will have involvement in.
- 5.3 Councillors may also wish to consider alternative staff benefits such as discounts for Council services such as hall hire, tennis court usage and allotments, similar to benefits offered by EBC to their staff. A suggested discount across the board of 25%.

6. FINANCIAL IMPLICATIONS

- 6.1 There is no specific budget provision included within the Council's main budget to fund these payments. Any payments made are usually taken from the staffing and sickness budget which is set at £xx per year. And has £xx remaining as at 3 July 2023.

Acting up allowances, honoraria and recognition payments

1 Introduction

This scheme has been developed to ensure fairness and transparency in relation to all temporary or one-off payments. The scheme covers:

- **Acting up allowances:**
Payable when an employee is taking on responsibilities at a higher level for a temporary period. Allowances are paid with monthly salary payments and the level of payment takes account of the difference between the employee's existing job and new responsibilities.
- **Honoraria:**
One-off payments to recognise temporary additional work outside an employee's usual job. This work may not fall within an existing role description.
- **Recognition payments:**
Reward exceptional performance. Payment relates to the way in which somebody carries out their role as well as what they do.
- **Exceptional performance:**
Where staff continue to exceed expectations and work above their paygrade on a longer term basis, the Clerk and Chairman of the Council will review the pay grade of the employee as part of their annual appraisal process. This is to ensure that where staff are continually being put forward for awards, rather than continued awards being given, a more permanent recognition is achieved. It also ensures that pay is performance based and that staff are being paid appropriately so as to ensure their retention.

Allowances, honoraria and recognition payments are not applicable where an employee works additional hours in their current post.

2 Acting up allowances

Acting up allowances may be paid to employees who are required, on a short-term basis, to undertake the duties of a higher graded post for a continuous period of at least four weeks. In these circumstances, the employee may receive the pay and any other terms and conditions applicable to the higher graded post (or a proportion of the pay for the higher graded post if not all duties are covered). This will normally be based on the first salary point of the higher graded post (if the salary points overlap, a

salary point that gives an increase equivalent to an increment will be selected).

Acting up may be needed to cover vacant posts during the recruitment process, or absence/leave from work, e.g. long-term sickness or maternity/other family leave.

7. Deputising:

An employee whose job description includes a requirement to deputise as and when required should usually be given the opportunity to act up into that role if it becomes available on a longer-term basis. If more than one person is deputising, the Clerk should consider either sharing out the duties (in which case honoraria payments would be made) or selecting one person by competitive interview to undertake the duties.

8. Advertisement and selection:

Where there is no designated "deputy", then the acting up opportunity should be advertised internally in the first instance.

The advertisement of any acting up opportunity should include details of the post, the job profile and any other information that would be provided to applicants under the normal recruitment process.

The selection of staff for acting up opportunities should be in line with the Council's current recruitment and selection process.

The successful applicant will not be required to give formal notice under their contract of employment but should be released to take up the acting up position as soon as reasonably possible.

If suitable internal arrangements cannot be made, the Clerk should consider advertising externally for a temporary appointment.

If an employee is acting up to cover a vacancy, there should be no consequent delay in recruiting to the post on a permanent basis.

9. Timescale and review

Acting up arrangements should be kept under review and will normally be for a maximum of six months unless it is clear from the beginning that a longer period will be needed (e.g. to cover maternity leave). If, however, at the end of this period the arrangement is still required, it should be reviewed to see whether it should be continued. The arrangement will normally only be extended or continued for more than six months in exceptional circumstances.

10. Performance

If an employee who is acting up, is underperforming or their work is otherwise unsatisfactory, they will be given managerial support, guidance and direction with a view to encourage improved work performance where appropriate. If, however, following support and guidance the employee is unable to perform satisfactorily in the role, then the arrangement should be terminated subject to one week's notice, and the employee will return to their normal duties. There will be no appeal against this decision. The employee may also end the arrangement at any stage, subject to one week's notice.

11. Absence

The acting up allowance may continue to be paid during short periods of sickness and leave unless it is necessary for somebody else to undertake the acting duties during this time. If the absence lasts for a continuous period of four weeks or more, it will end, unless it is known that the employee's return is imminent. On the employee's return to work the manager should consider whether to resume the acting up arrangements and reinstate the allowance.

12. The end of the acting up period

The employee will return to their substantive post at the end of the acting up period on pay and conditions no less favourable than they would have received had the acting up not taken place.

If, the acting up arrangement becomes permanent (e.g. because the original postholder does not return to their post), it should be advertised and filled on a permanent basis, unless there are plans to restructure the work. If the employee covering such a post wishes to apply for it, they should be considered with other applicants in accordance with the Council's recruitment and selection process.

3 Honoraria

An honorarium is a one-off payment, to recognise additional work at a higher level, which is not part of an employee's normal job and may not form part of any other role, but which may be needed for operational reasons. It will normally be paid at the end of the period of work undertaken.

To calculate the payment, an assessment will need to be made of the level of higher responsibility involved and the percentage of the employee's time spent on these duties.

13. Timescale and review

An honorarium will normally relate to work carried out over a period of no more than six months. For long term arrangements, it may be more appropriate to consider an acting up allowance.

4 Recognition payments

A recognition payment is a one-off payment made in recognition of exceptional effort or performance of work that goes beyond an employee's normal role. The payment is not agreed in advance and is not intended to be a payment that exactly reflects the level or amount of work done. A recognition payment may be given to an employee on any grade, subject to the criteria below. And can only be given once in any financial year.

14. Criteria

To qualify for a recognition payment, an employee must:

- have delivered work which was either above (at a higher competency level) or beyond (taken on additional work at the same competency level) or a combination of both;
- have positively demonstrated all of the behavioural competencies in their job description (i.e. how they have carried out their job);
- be on track to meet all agreed objectives, and to exceed some objectives, as outlined in their mid or end of year review;
- not have already received any other payment in recognition of this work (e.g. an acting up or honorarium payment);
- not have received a recognition payment in the previous 12-month period.

15.

16. Payment levels

There are four levels of payment under the recognition payment scheme*:

Level 1	£150
Level 2	£350
Level 3	£700
Level 4	£1,000

In determining which amount will be appropriate, the Clerk, in consultation with the Finance Committee should consider:

1. The type and level of work carried out, over and above the employee's usual role.

2. The impact of the work on the team, the Parish Council, community at large.

3. The competencies demonstrated, such as: -

- Working with others
- Leadership
- Delivering results
- Benefits/value added to the Council
- Impact on the wider community

5 Short term additional work resulting in longer working hours

All staff are expected to show reasonable flexibility to ensure that the work of the Council is effectively completed. Staff who are required to work more than their standard hours of work may be granted time off in lieu (TOIL) at a later date by prior agreement with the Clerk.

6 Approval and monitoring

Requests for any additional payment and any requests for extensions should be submitted to the Clerk who will seek formal approval from the Finance Committee/Full Council. Requests must include the rationale for payment, amount requested and dates/calculations as applicable.

FINANCE COMMITTEE – WORK PROGRAMME (2023/24)

F

ITEM	OBJECTIVE	METHOD	LEAD OFFICER
10 JULY 2023			
Finance Monitoring Report	To review the quarterly accounts	Report	Joanne Cahill
Financial Risk Assessment	To review the Financial Risk Assessment	Report	Mel Stephens
Finance Regulations	To review the regulations	Report	Mel Stephens/Joanne Cahill
4 DECEMBER 2023			
Budget 2024/25 (including Budget T&F recommendations)	To review the draft budget prior to being submitted for final approval by Full Council	Report	Mel Stephens/Joanne Cahill
Grant Applications	To review applications received during the application deadline	Report	Mel Stephens
Review of Café project budget	To undertake a review of the café project budget	Report	Mel Stephens/Joanne Cahill
4 MARCH 2024			
Finance Monitoring Report	To receive an update from the RFO including EOY progress.	Report	Mel Stephens/Joanne Cahill
Allocation of Capital Reserves	To agree allocation of capital reserves.	Report	Mel Stephens
Investment Strategy	To review the Strategy	Report	Mel Stephens/Joanne Cahill
Business Continuity Plan	To review the plan.	Report	Mel Stephens/Michelle Leadbitter-Allen

NB: Budget Task & Finish Group will meet on 23 October and 27 November 2023