

## SECTION 1A - To be filled in by submitter of the Motion:

<b>Report from</b>	Town Clerk
<b>On behalf of</b>	N/A
<b>Date</b>	15 <sup>th</sup> March 20223
<b>For Meeting of Council/Committee</b>	Finance and Governance Committee
<b>Date of meeting</b>	21 <sup>st</sup> March 2023
<b>Agenda item no.</b>	80/22-23
<b>Confidentiality</b>	N/A
<b>TITLE OF MOTION</b>	Changes to <a href="#">Financial Regulations</a>
<b>MOTION(S)</b>	<ol style="list-style-type: none"> <li>1) To consider and agree a proposal to change in wording for authority to spend where this can be delegated to Clerk in certain circumstances - proposed to take out word 'extreme' in current Financial Regulations 4.5 (report attached).</li> <li>2) To consider and agree a proposal to change the lower limit for the need to obtain 3 quotes in the Financial Regulations 11.1(h), raising this from £100 to £500, bringing this in line with the amount listed in the Financial Regulations 4.1 and 4.5, reducing unnecessary workload for the RFO, and which is common practice with most other PCs and TCs (report attached).</li> <li>3) For the Committee to recommend to Full Council for above two changes to the Financial Regulations (in sub-items 1 and 2) to be adopted by the Council.</li> </ol>
<b>Background</b>	<p>For reference, the relevant (current) text in FR 4.5 is the following:</p> <p style="padding-left: 40px;">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 £500. The Clerk shall report such action to the Mayor as soon as possible and to the council as soon as practicable thereafter.</p> <p>For reference, the relevant (current) text in FR 11.1(h) is the following:</p> <p style="padding-left: 40px;">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 below £3,000 and above £100 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.</p>
<b>Issues/items for consideration by the Council</b>	<p>The following are key drivers for the proposal under sub-item 1:</p> <ul style="list-style-type: none"> <li>• The inclusion of the word 'extreme' in FR 4.5 makes it rather difficult to judge when this policy can be implemented exactly.</li> <li>• The Council's has adopted an updated <a href="#">Risk Assessment</a> in October 2022. With this in place this should provide sufficient guidance to the Clerk when there is a situation that could provide a realistic risk to the Town Council, warranting revenue expenditure - taking this word out would help the Clerk make practical decisions to reduce risks to the Council materialising.</li> </ul> <p>The following are key drivers for the proposal under sub-item 2:</p>

	<ul style="list-style-type: none"> <li>• The standard NALC text in Financial Regulation 11.1(h) as originally adopted by Northstowe Town Council in May 2021 has, apparently, not changed for a long time, despite inflationary increase.</li> <li>• Information gained from other Clerks, both directly and through the SLCC online forum, has made it clear that most PCs and TCs have raised the lower limit to £500, in many cases even higher, sometimes much higher for Councils with very high annual income.</li> <li>• Raising the lower limit to £500 would result in significant fewer cases where the Clerk would have to try and obtain three quotes first as part of a proposal for spend, reducing staffing time needs in the process.</li> </ul>
<b>Recommendations</b>	<p>For the Town Council;</p> <ol style="list-style-type: none"> <li>1) To consider and agree a proposal to change in wording for authority to spend where this can be delegated to Clerk in certain circumstances - proposed to take out word 'extreme' in current Financial Regulations 4.5 (report attached).</li> <li>2) To consider and agree a proposal to change the lower limit for the need to obtain 3 quotes in the Financial Regulations 11.1(h), raising this from £100 to £500, bringing this in line with the amount listed in the Financial Regulations 4.1 and 4.5, reducing unnecessary workload for the RFO, and which is common practice with most other PCs and TCs (report attached).</li> <li>3) For the Committee to recommend to Full Council for above two changes to the Financial Regulations (in sub-items 1 and 2) to be adopted by the Council.</li> </ol>
<b>Appendices</b>	N/A
<b>Documents:</b>	N/A

**SECTION 1B - To be filled in by submitter of the Motion:**

<b>Input</b> needed from Clerk?	N/A
---------------------------------	-----

**PLEASE NOTE:** Agenda item requests: in order to be considered for inclusion on the agenda, motions with all associated papers *must* be received by the Clerk in a final format at least 7 clear days<sup>i</sup> before the meeting at which you would like your item to be considered – if any input is required from the Clerk please provide sufficient additional time for the Clerk to schedule in for any feedback and/or additional research that may be required.

## SECTION 2 - To be filled in by the Clerk:

Meets/links with Council objectives:	Efficient and Effectiveness	√
Staffing Implications: <sup>ii</sup>	Both proposals would reduce unnecessary staffing time lost in making enquiries and/or obtaining quotes for relatively small items that are needed to ensure Council business is implemented smoothly and in a timely manner.	√
Volunteer need implications:	N/A	√
Equalities & Human Rights <sup>iii</sup>	There are no equalities and human rights issues Details, where relevant: N/A	√
Crime and Disorder <sup>iv</sup>	Crime and disorder have been considered Details, where relevant: N/A	√
Biodiversity <sup>v</sup>	There are no (negative) bio-diversity implications Details, where relevant: N/A	√
Sustainability	Is in line with the Council's Plastic-Free Pledge	√
Financial <sup>vi</sup>	There are no financial implications at this stage	√
	There will be financial implications; Details: N/A	
	There is provision within the budget – N/A Budget heading & details:	
	Decisions may give rise to additional expenditure; Details: N/A	
	Decisions may have potential for income generation; Details: N/A	
Other Resource implications (besides finance):	Details: This is likely to result in reduced staffing time for purchasing relatively small items needed by the Town Council.	√
Health and Safety implications <sup>vii</sup>	Details: N/A	√
Legal	Power under which the spend can be actioned: <sup>viii</sup> Local Government Act 1972, s 101 (re: delegation of Local Authority decisions to the Proper Officer).	√
	GDPR - Data Privacy Impact Assessment: <sup>ix</sup> Details, where relevant: N/A	√
	Other considerations: N/A	√
Risk Management	Material risks <sup>x</sup> exist and these are considered and being assessed: Details: N/A – Clerk is guided by adopted council's Risk Management Plan for decision-making.	√
Other Considerations:	N/A	√

<sup>i</sup> Northstowe Town Council's [Standing Order 9 b,d](#).

<sup>ii</sup> The Council has a legal duty to ensure it looks after employees' health and wellbeing (the Health and Safety at Work etc act 1974).

<sup>iii</sup> The key legislation regarding unlawful discrimination is the Equality Act 2010, which amongst other requires the Council to monitor for compliance with the Equality Duty.

<sup>iv</sup> The Council has a legal duty to act with due regards to crime and disorder in the area (Crime and Disorder Act 1998, s17).

<sup>v</sup> The Council has a legal duty to have regard to conserving biodiversity (Natural Environment and Rural Communities Act 2006, s40).

<sup>vi</sup> It is the RFO's duty to manage financial risks on behalf of the Council, as described in the Local Audit and Accountability Act 2014 and Accounts and Audit Regulations 2015, reg 4.

<sup>vii</sup> See also Town Council's [Health and Safety Policy](#).

<sup>viii</sup> See here for an [Overview of relevant discretionary powers](#) beyond the General Power of Competence.

<sup>ix</sup> See also the Town Council's [Data Protection Policy](#).

<sup>x</sup> See Town Council's [Risk Management Plan](#).