

Internal Controls

- (i) To review the Council's Internal Finance Controls.

***FINANCE – CHECKS TO BE UNDERTAKEN
BY AN APPOINTED COUNCILLOR
(usually Chairman of the Finance Committee)***

Monthly

Bank Reconciliation

To be undertaken before each Council meeting with the reviewer checking the amounts on the Reconciliation against the Bank Statements. It should then be reviewed during the Meeting and signed as proof of record.

Payroll

Check that the instructions sent to East Devon District Council are correct and salary payments tie up with amounts agreed by the Town Council.

Quarterly

Cash Control

Ensure that all monies received are recorded and paid into the Bank regularly.

VAT

Confirm amount reclaimed equals that shown on the cheque lists and that returns are being submitted regularly.

Budgetary Controls

A statement of receipts and payments to date under each budget heading, comparing actual expenditure against that planned. NB the Finance Committee may check this.

Precept Planning 2026 / 2027

- (i) To receive estimated figures for 2025/2026.

See document: 'Financial Budget Comparison'

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

		25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Council Income						
10	Precept	£198,000.00	£198,000.00	£0.00	£198,000.00	£0.00
20	VAT	£15,000.00	£15,000.00	£0.00	£8,198.91	-£6,801.09
30	Miscellaneous	£0.00	£0.00	£0.00	£2,628.00	£2,628.00
50	Community Infrastructure Levy	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income		£213,000.00	£213,000.00	£0.00	£208,826.91	-£4,173.09

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

		25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Expenditure						
101	Car Park Fund	£8,000.00	£8,000.00	£0.00	£0.00	£8,000.00
102	Car Park Repairs	£1,500.00	£1,500.00	£0.00	£0.00	£1,500.00
110	Station Road Toilets - Fees	£20,000.00	£0.00	£0.00	£0.00	£0.00
111	Station Road Toilets - Operating Costs	£5,000.00	£30,000.00	£0.00	£8,790.86	£21,209.14
115	Emergency Plan	£5,000.00	£5,000.00	£0.00	£0.00	£5,000.00
120	Grass Cutting	£5,000.00	£4,000.00	£0.00	£1,530.00	£2,470.00
125	Town Improvement Fund	£25,000.00	£25,000.00	£0.00	£837.96	£24,162.04
126	Defibrillators	£0.00	£500.00	£0.00	£63.95	£436.05
130	Town Handyman	£10,000.00	£10,000.00	£0.00	£4,967.69	£5,032.31
140	Jubilee Shelter Maintenance	£1,750.00	£1,750.00	£0.00	£111.00	£1,639.00
150	Community Infrastructure Levy	£8,750.00	£0.00	£0.00	£0.00	£0.00
160	Professional Services	£0.00	£0.00	£0.00	£555.00	-£555.00
850	Electricity - Town Christmas Lights	£0.00	£0.00	£0.00	£427.86	-£427.86
Total Expenditure		£90,000.00	£85,750.00	£0.00	£17,284.32	£68,465.68

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Finance Committee					
Income					
200 Bank Interest - Lloyds	£2,000.00	£2,000.00	£0.00	£764.79	-£1,235.21
205 Dividend - Local Auth Prop Fund	£4,000.00	£5,000.00	£0.00	£2,681.34	-£2,318.66
206 Interest - Public Sector Deposit Fund	£4,000.00	£5,000.00	£0.00	£2,719.67	-£2,280.33
220 Miscellaneous	£0.00	£0.00	£0.00	£5,000.00	£5,000.00
222 Refund from Bank	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income	£10,000.00	£12,000.00	£0.00	£11,165.80	-£834.20

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

		25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Expenditure						
300	Chairman's Allowance	£1,650.00	£1,650.00	£0.00	£0.00	£1,650.00
301	Civic Fund	£3,000.00	£3,000.00	£0.00	£638.93	£2,361.07
302	Members Expenses and Courses	£600.00	£600.00	£0.00	£131.35	£468.65
303	Publications and Membership	£2,000.00	£2,000.00	£0.00	£1,232.24	£767.76
304	Travel Expenses	£0.00	£0.00	£0.00	£53.34	-£53.34
310	Audit Fee	£2,000.00	£2,000.00	£0.00	£1,430.00	£570.00
311	Bank Charges	£750.00	£150.00	£0.00	£39.64	£110.36
315	Grants and Donations	£15,000.00	£15,000.00	£0.00	£12,330.74	£2,669.26
320	Stationery	£750.00	£500.00	£0.00	£111.75	£388.25
321	Postage	£0.00	£0.00	£0.00	£0.00	£0.00
322	Telephone/Internet	£1,250.00	£1,000.00	£0.00	£333.15	£666.85
323	Photocopier	£1,500.00	£1,500.00	£0.00	£188.51	£1,311.49
324	Office Equipment	£750.00	£750.00	£0.00	£227.08	£522.92
325	Equipment Servicing/Repairs	£300.00	£300.00	£0.00	£0.00	£300.00
326	Office Furniture/Furnishings	£500.00	£350.00	£0.00	£49.99	£300.01
327	Computer Software	£2,000.00	£2,000.00	£0.00	£340.57	£1,659.43
328	Website	£750.00	£750.00	£0.00	£258.00	£492.00
330	Planters/Plants	£200.00	£200.00	£0.00	£95.38	£104.62
340	Elections	£2,500.00	£2,500.00	£0.00	£0.00	£2,500.00
345	Legal Fees	£1,000.00	£1,000.00	£0.00	£47.00	£953.00
350	Car Park Rates & Rent	£5,750.00	£5,750.00	£0.00	£2,336.00	£3,414.00

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
370	Salaries	£71,500.00	£75,301.00	£0.00	£40,650.73
371	Payroll	£500.00	£500.00	£0.00	£299.90
372	Statutory Sick Pay	£15,000.00	£15,000.00	£0.00	£15,000.00
373	Staff Travel Expenses	£250.00	£250.00	£0.00	£250.00
374	Staff Training	£500.00	£1,450.00	£0.00	£1,290.00
375	Recruitment Advertising	£500.00	£500.00	£0.00	£500.00
376	Recruitment Fees	£0.00	£0.00	£0.00	£0.00
377	IT Support	£0.00	£750.00	£0.00	£203.75
390	Miscellaneous	£500.00	£500.00	£0.00	£154.14
Total Expenditure		£131,000.00	£135,251.00	£56,054.43	£79,196.57

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

		25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Public Hall Committee						
Income						
400	EDDC Contribution	£2,500.00	£2,500.00	£0.00	£0.00	-£2,500.00
410	Lettings	£27,500.00	£27,500.00	£0.00	£10,509.59	-£16,990.41
411	Heating	£2,000.00	£2,000.00	£0.00	£279.00	-£1,721.00
412	Bar	£400.00	£400.00	£0.00	£180.00	-£220.00
413	Electricity	£250.00	£250.00	£0.00	£132.43	-£117.57
414	Bunting	£0.00	£0.00	£0.00	£0.00	£0.00
416	Internet re-charge	£100.00	£100.00	£0.00	£20.00	-£80.00
417	Sound System (Microphone)	£150.00	£150.00	£0.00	£97.50	-£52.50
430	Miscellaneous	£0.00	£0.00	£0.00	£20.00	£20.00
Total Income		£32,900.00	£32,900.00	£0.00	£11,238.52	-£21,661.48

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Expenditure					
500 Rates	£4,000.00	£4,000.00	£0.00	£4,656.61	-£656.61
501 Gas	£5,000.00	£4,000.00	£0.00	£958.99	£3,041.01
502 Electricity	£10,000.00	£7,000.00	£0.00	£1,816.59	£5,183.41
503 Water	£2,000.00	£2,500.00	£0.00	£1,460.57	£1,039.43
505 Insurance	£12,000.00	£9,865.93	£0.00	£9,865.93	£0.00
510 Wages	£20,000.00	£18,000.00	£0.00	£7,212.73	£10,787.27
515 Cleaning	£4,000.00	£4,000.00	£0.00	£3,296.03	£703.97
517 Consumables	£10,000.00	£9,000.00	£0.00	£1,294.09	£7,705.91
520 Maintenance	£16,500.00	£12,000.00	£0.00	£2,844.16	£9,155.84
521 Major Repairs/Renovations	£7,500.00	£7,500.00	£0.00	£7,854.95	-£354.95
522 Hall Improvements	£35,000.00	£35,000.00	£0.00	£9,167.76	£25,832.24
523 Clock Service	£350.00	£350.00	£0.00	£0.00	£350.00
530 Licence	£200.00	£250.00	£0.00	£224.50	£25.50
535 Performing Rights	£2,500.00	£2,500.00	£0.00	£2,247.44	£252.56
540 Marketing	£750.00	£750.00	£0.00	£0.00	£750.00
590 Miscellaneous	£500.00	£500.00	£0.00	£0.00	£500.00
Total Expenditure	£130,300.00	£117,215.93	£0.00	£52,900.35	£64,315.58

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Community Gardens Committee Income					
600 Rents	£2,600.00	£2,600.00	£0.00	£0.00	-£2,600.00
601 Water Recharge	£1,250.00	£1,250.00	£0.00	£0.00	-£1,250.00
610 Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
900 Suspense	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income	£3,850.00	£3,850.00	£0.00	£0.00	-£3,850.00

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Expenditure					
650 Rent	£700.00	£700.00	£0.00	£668.56	£31.44
660 Water	£1,250.00	£1,250.00	£0.00	£1,240.06	£9.94
670 Maintenance	£1,500.00	£1,500.00	£0.00	£245.65	£1,254.35
690 Miscellaneous	£250.00	£250.00	£0.00	£114.33	£135.67
Total Expenditure	£3,700.00	£3,700.00	£0.00	£2,268.60	£1,431.40

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Norman Centre Income					
700 Lettings	£2,250.00	£2,250.00	£0.00	£1,130.00	-£1,120.00
710 Miscellaneous	£0.00	£0.00	£0.00	£0.00	£0.00
Total Income	£2,250.00	£2,250.00	£0.00	£1,130.00	-£1,120.00

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.

Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Expenditure					
750 Rates	£600.00	£600.00	£0.00	£357.08	£242.92
751 Gas	£1,000.00	£600.00	£0.00	£94.63	£505.37
752 Electricity	£2,000.00	£1,000.00	£0.00	£242.96	£757.04
770 Maintenance	£1,000.00	£1,000.00	£0.00	£135.37	£864.63
771 Major Repairs	£0.00	£0.00	£0.00	£0.00	£0.00
790 Miscellaneous	£250.00	£250.00	£0.00	£0.00	£250.00
Total Expenditure	£4,850.00	£3,450.00	£0.00	£830.04	£2,619.96

Financial Budget Comparison

Comparison between 01/04/25 and 31/10/25 inclusive. Includes due and unpaid transactions.
Excludes transactions with an invoice date prior to 01/04/25

	25/26	25/26 Revised	Reserve Movements	Actual Net	Balance
Total Income	£262,000.00	£264,000.00	£0.00	£232,361.23	
Total Expenditure	£359,850.00	£345,366.93	£0.00	£129,337.74	
Total Net Balance	-£97,850.00	-£81,366.93		£103,023.49	

Precept Planning 2026 / 2027

- (ii) To agree the changes to the Public Hall and Norman Centre Precept requirement for 2026/27 as recommended by the Public Hall Committee [Min 25.263]

Public Hall	£74425.50 - £750.00 marketing budget
	£78675.50 - £5000 marketing budget
Norman Centre	£1338.00

Precept Planning 2026 / 2027

iii. **Proposal:** To agree a minimum 15% increase in the precept for the 2026/27 financial year resulting in a minimum precept request of £227,692.

Prepared by: Alice Gater-Wildgust – Responsible Financial Officer

1. Purpose of the Report

The purpose of this report is to recommend that the Finance Committee accept this report and agree on a recommend increase to the precept for presentation to and agreement of the Full Town Council on 24 Nov 2025

It is requested to approve a minimum 15% increase to the precept for the financial year 2026/27. This increase is necessary to ensure the continued financial sustainability of the Council in order to safeguard the future of its key community assets.

What is a precept?

The precept is the portion of Council Tax that is collected on behalf of the Town or Parish Councils by EDDC. It provides the main source of income that allows the Council to deliver local services, maintain community facilities, and represent residents' interests.

Each year, the Town Council sets its annual budget and decides how much funding it needs to cover the cost of running local services — such as public toilets, community halls, and allotments. This amount is then requested from the District Council, which includes it as part of residents' overall Council Tax bill.

In simple terms, the precept is residents' local contribution that enables the Town Council to look after the day-to-day needs of the community and invest in its future

What is 'Band D equivalent'?

The Band D equivalent is a standard unit used to calculate and compare the Council Tax base across different types of properties. It allows councils to express the total number of taxable properties in their area as if they were all in Council Tax Band D (the middle band).

Every residential property in the parish is placed in a Council Tax band (A to H) based on its value. Since properties in higher or lower bands pay more or less Council Tax than a Band D property, each band is converted to a Band D equivalent using nationally set ratios. For example:

2. Background

A detailed analysis of BSTC's income, expenditure, and reserve levels has been undertaken by the RFO, Finance Committee and Finance Chair. Detailed figures are attached: 'Financial Budget Comparison report,' and considered the ongoing cost pressures associated with inflation, maintenance of community facilities, contracts, staffing, and service delivery.

The Council is the custodian of Budleigh Salterton Public Hall and the free car park at Upper Station Road, both valued and much-used community asset which provides significant social, cultural, and economic benefits to local residents.

East Devon District Council (EDDC) is actively encouraging Town and Parish Councils to consider raising precepts to prepare for potential future responsibilities arising from local government reorganisation. In 2024/25, the Town Council assumed responsibility for the Station Road Public Toilets after EDDC passed a motion that would lead to their closure. An increase of 19% was incorporated into the 2025/26 precept when BSTC agreed to buy this building and to safeguard the facility for the community. (Feedback received to date has been very positive with residents happy to have this facility free at point of use and importantly, kept in good order.)

Supporting these assets places a considerable strain on the Town Council's resources. Income is generated from the following areas: interest on investments; precept, and hiring revenue from Public Hall and Norman Centre bookings. Work is underway to investigate how BSTC can increase revenue while safeguarding the Public Hall as an affordable and accessible space for the community. Although a rate increase is planned for 2026, additional financial pressures remain that cannot be fully addressed by this increase alone.

3. Reserve Sustainability:

In 2024/25 reserves to the value of £35000 were used to meet the shortfall between the income and expenditure. Further use of reserves is expected in 2025/26.

Guidance from the National Association of Local Councils (NALC) and Practitioners' Guide (2024) recommends that councils maintain general reserves equivalent to 3–12 months of operating expenditure to safeguard against unforeseen costs and income shortfalls (NALC, 2024, *Governance and Accountability for Local Councils in England*)

The use of any Town Council reserves immediately reduces the Council's financial capacity to maintain services for a 12-month period. It should be noted that, at the current rate of drawdown (projected to be £45k in 26/27), the Council's reserves would be fully depleted within four years, leaving the Council without sufficient contingency to cover routine expenditure or emergencies. Maintaining adequate reserves is therefore critical for sustainable financial management.

An example of how BSTC may use its reserves:

The roof at the Norman Centre end of the building require maintenance. Given the age of the roof, it may actually need replacing in the medium term (to be formally accessed shortly).

*Estimated costs that the TC is facing will be estimated cost of £6600 (repair) - £19000 (full replacing of this portion of the roof)**

**to note that this will be further explored in detail and is simply presented here as an example to aid discussion and understanding.*

4. Precept rates from 2020 - 2025

YEAR	% increase	Value of Precept	Cost per Band D equivalent (per annum)
2026-2027	15% Proposal only	227,692	£76.05
2025-2026	19%	198,000	£66.13
2024-2025	5%	165,900	£57.80
2023-2024	0%	158,000	£56.07
2022-2023	0%	158,000	£56.07
2021-2022	35%	158,000	£56.43
2020-2021		116,750	£41.33

5. Precept 2026 / 2027

- **Proposed Precept (2026/27):** £227,692.20
- **Increase:** 15%
or £9.92 per annum per Band D equivalent
- **Current Precept (2025/26):** £198,000
- **Band D Equivalent Charge:** Current: £66.13
Proposed: £76.05

6. What other East Devon Town and Parishes do:

According to the [report received](#) by EDDC Cabinet in Feb 2025 regarding Town & Parish Councils the average figure for a band D equivalent across all of East Devon was £95.48 for 2025/26 and £91.57 for 2024/25. BSTC remains in the mid to lower end of the precept scale for Band D equivalents

7. Asset Protection:

The Council's community building and associated facilities are vital local assets. Proper maintenance, investment, and contingency planning are essential to safeguard them for future generations. At present BSTC operates and maintains the following:

- Public Hall
- Norman Centre
- Station Road Toilet
- Upper Station Road Car Park
- Additionally, the Town Council fund the following:
- Town Council Offices
- Town Handyman
- Grants of over £15000.00 to the Budleigh Information Centre, Shop Budleigh and others.
- Custodian of over £100000 of CIL and S106 development funding that requires management

8. Financial Responsibility:

Implementing a measured increase in the precept—such as a 15% rise—can help maintain the Council's financial sustainability and reduce the likelihood of requiring a larger, unplanned increase in future years. According to the National Association of Local Councils (NALC, 2024), councils are encouraged to take a forward-looking approach to precept setting, using medium-term financial planning to smooth funding requirements and avoid sudden shocks to residents or services.

9. Impact on Residents

Through astute management of BSTC's budgets and careful financial forecasting, residents can be assured of the Council's continued ability to represent their interests — advocating for the interests of Budleigh Salterton with District and County Councillors, scrutinising planning and other decisions, and ensuring that Budleigh's voice is heard.

This approach also safeguards vital community facilities, maintaining continued access to the Public Hall, Norman Centre, public toilets, the free-at-point-of-use car park, and the Greenway Lane allotments.

Should the proposed 15% increase be approved, residents will contribute £76.05 per Band D equivalent property towards the BSTC precept. This represents an additional £9.92 per year for a Band D household — less than £1 per month. This modest adjustment will strengthen the Council's financial resilience, helping to ensure that local services and community facilities remain

If the Town Council were to support a larger increase in the precept, this would provide greater financial stability by further reducing the rate at which reserves are being depleted. A higher precept would enable the Council to meet rising operational costs without relying as heavily on reserves, ensuring compliance with recommended reserve levels (3–12 months of expenditure as advised by NALC, 2024).

10. Conclusion and Recommendation

The Council has a duty to act prudently and responsibly in managing its finances. After comprehensive analysis, it is recommended that the Finance Committee:

Approves a minimum 15% increase in the precept for 2026/27 setting the total at £227,692.20.

Notes that this level of increase still requires the use of £45,174.80 from reserves.

Recognises the importance of maintaining sufficient reserves to protect the long-term future of the Council's assets and services.

This increase represents a fair and proportionate response to current financial challenges, ensuring that the Town Council can continue to deliver high-quality, sustainable services to its community.

References:

National Association of Local Councils (2024). *Governance and Accountability for Local Councils in England – Practitioners' Guide*. NALC. Accessed 1526hr 23.10.25

www.eddc.gov.uk: Council 26 Feb 25 Council Tax Resolution 2025 26.pdf Accessed 1420hrs 23.10.25

Precept Calculator

Start of year 01/04/25

Heading		24/25 Last year's net	25/26 Actual net	25/26 Budget	26/27
Community Gardens Committee Income					
600	Rents	£2,557.68	£0.00	£2,600.00	£2,600.00
601	Water Recharge	£714.73	£0.00	£1,250.00	£1,300.00
610	Miscellaneous	£0.00	£0.00	£0.00	£0.00
900	Suspense	£0.00	£0.00	£0.00	£0.00
Community Gardens Committee Income Total		£3,272.41	£0.00	£3,850.00	£3,900.00
Council Income					
10	Precept	£165,900.00	£198,000.00	£198,000.00	£227,692.20
30	Miscellaneous	£0.00	£2,628.00	£0.00	£0.00
50	Community Infrastructure Levy	£0.00	£0.00	£0.00	£0.00
Council Income Total		£165,900.00	£200,628.00	£198,000.00	£227,692.20
Finance Committee Income					
200	Bank Interest - Lloyds	£2,579.67	£764.79	£2,000.00	£2,000.00
205	Dividend - Local Auth Prop Fund	£5,940.53	£2,681.34	£4,000.00	£5,000.00
206	Interest - Public Sector Deposit Fund	£6,238.46	£2,719.67	£4,000.00	£5,500.00
220	Miscellaneous	£7,480.93	£5,000.00	£0.00	£0.00
222	Refund from Bank	£0.00	£0.00	£0.00	£0.00
Finance Committee Income Total		£22,239.59	£11,165.80	£10,000.00	£12,500.00
Norman Centre Income					
700	Lettings	£3,347.50	£1,130.00	£2,250.00	£3,350.00
710	Miscellaneous	£0.00	£0.00	£0.00	£0.00
Norman Centre Income Total		£3,347.50	£1,130.00	£2,250.00	£3,350.00
Public Hall Committee Income					
400	EDDC Contribution	£2,576.00	£0.00	£2,500.00	£2,500.00
410	Lettings	£27,713.64	£10,509.59	£27,500.00	£29,100.00
411	Heating	£2,309.75	£279.00	£2,000.00	£2,200.00
412	Bar	£570.00	£180.00	£400.00	£650.00
413	Electricity	£293.54	£132.43	£250.00	£252.50
414	Bunting	£15.00	£0.00	£0.00	£0.00
416	Internet re-charge	£100.00	£20.00	£100.00	£100.00
417	Sound System (Microphone)	£292.50	£97.50	£150.00	£0.00
430	Miscellaneous	£0.00	£20.00	£0.00	£0.00
Public Hall Committee Income Total		£33,870.43	£11,238.52	£32,900.00	£34,802.50
Future Income					
Total Income		£228,629.93		£247,000.00	
Community Gardens Committee Expenditure					
650	Rent	£668.56	£668.56	£700.00	£700.00
660	Water	£746.47	£1,240.06	£1,250.00	£1,500.00

Precept Calculator

Start of year 01/04/25

Heading		Last year's net	Actual net	25/26	26/27
670	Maintenance	£1,564.71	£245.65	£1,500.00	£1,650.00
690	Miscellaneous	£0.00	£114.33	£250.00	£0.00
Community Gardens Committee Expenditure Total		£2,979.74	£2,268.60	£3,700.00	£3,850.00
Council Expenditure					
101	Car Park Fund	£0.00	£0.00	£8,000.00	£8,000.00
102	Car Park Repairs	£0.00	£0.00	£1,500.00	£1,500.00
110	Station Road Toilets - Fees	£1,434.40	£0.00	£20,000.00	£0.00
111	Station Road Toilets - Operating Costs	£321.54	£8,790.86	£5,000.00	£32,915.00
115	Emergency Plan	£0.00	£0.00	£5,000.00	£5,150.00
120	Grass Cutting	£3,000.00	£1,530.00	£5,000.00	£4,120.00
125	Town Improvement Fund	£6,668.63	£837.96	£25,000.00	£25,000.00
126	Defibrillators	£361.45	£63.95	£0.00	£550.00
130	Town Handyman	£8,728.83	£4,967.69	£10,000.00	£13,000.00
140	Jubilee Shelter Maintenance	£210.00	£111.00	£1,750.00	£1,802.50
150	Community Infrastructure Levy	£42,415.86	£0.00	£8,750.00	£0.00
160	Professional Services	£0.00	£555.00	£0.00	£5,000.00
850	Electricity - Town Christmas Lights	£0.00	£427.86	£0.00	£500.00
Council Expenditure Total		£63,140.71	£17,284.32	£90,000.00	£97,537.50
Finance Committee Expenditure					
300	Chairman's Allowance	£1,923.95	£0.00	£1,650.00	£1,650.00
301	Civic Fund	£604.89	£638.93	£3,000.00	£3,000.00
302	Members Expenses and Courses	£326.45	£131.35	£600.00	£1,000.00
303	Publications and Membership	£2,053.00	£1,232.24	£2,000.00	£1,535.00
304	Travel Expenses	£63.00	£53.34	£0.00	£100.00
310	Audit Fee	£1,705.00	£1,430.00	£2,000.00	£2,000.00
311	Bank Charges	£8.10	£39.64	£750.00	£150.00
315	Grants and Donations	£14,648.00	£12,330.74	£15,000.00	£20,000.00
320	Stationery	£211.94	£111.75	£750.00	£300.00
321	Postage	£6.39	£0.00	£0.00	£0.00
322	Telephone/Internet	£605.67	£333.15	£1,250.00	£810.00
323	Photocopier	£703.41	£188.51	£1,500.00	£1,500.00
324	Office Equipment	£2,765.74	£227.08	£750.00	£500.00
325	Equipment Servicing/Repairs	£153.47	£0.00	£300.00	£300.00
326	Office Furniture/Furnishings	£198.00	£49.99	£500.00	£350.00
327	Computer Software	£6,043.78	£340.57	£2,000.00	£2,000.00
328	Website	£335.99	£258.00	£750.00	£800.00
330	Planters/Plants	£179.96	£95.38	£200.00	£220.00
340	Elections	£0.00	£0.00	£2,500.00	£2,500.00
345	Legal Fees	£0.00	£47.00	£1,000.00	£1,000.00

Precept Calculator

Heading		Last year's net	Actual net	25/26	26/27
350	Car Park Rates & Rent	£5,090.80	£2,336.00	£5,750.00	£5,925.00
370	Salaries	£87,477.20	£34,650.27	£71,500.00	£59,135.00
371	Payroll	£387.84	£200.10	£500.00	£500.00
372	Statutory Sick Pay	£0.00	£0.00	£15,000.00	£15,000.00
373	Staff Travel Expenses	£0.00	£0.00	£250.00	£250.00
374	Staff Training	£260.00	£160.00	£500.00	£1,750.00
375	Recruitment Advertising	£843.40	£0.00	£500.00	£200.00
376	Recruitment Fees	£5,944.32	£0.00	£0.00	£0.00
377	IT Support	£0.00	£546.25	£0.00	£750.00
390	Miscellaneous	£2,998.36	£654.14	£500.00	£500.00
Finance Committee Expenditure Total		£135,538.66	£56,054.43	£131,000.00	£123,725.00
Norman Centre Expenditure					
750	Rates	£459.08	£357.08	£600.00	£600.00
751	Gas	£337.29	£94.63	£1,000.00	£400.00
752	Electricity	£507.43	£242.96	£2,000.00	£700.00
770	Maintenance	£314.22	£135.37	£1,000.00	£1,500.00
771	Major Repairs	£0.00	£0.00	£0.00	£0.00
790	Miscellaneous	£0.00	£0.00	£250.00	£0.00
Norman Centre Expenditure Total		£1,618.02	£830.04	£4,850.00	£3,200.00
Public Hall Committee Expenditure					
500	Rates	£3,746.25	£4,656.61	£4,000.00	£5,308.00
501	Gas	£2,634.29	£958.99	£5,000.00	£4,000.00
502	Electricity	£3,652.10	£1,816.59	£10,000.00	£7,000.00
503	Water	£1,814.39	£1,460.57	£2,000.00	£2,500.00
505	Insurance	£9,187.27	£9,865.93	£12,000.00	£11,000.00
510	Wages	£15,819.00	£7,212.73	£20,000.00	£18,000.00
515	Cleaning	£3,514.47	£3,296.03	£4,000.00	£500.00
517	Consumables	£6,451.61	£1,294.09	£10,000.00	£9,300.00
520	Maintenance	£11,647.14	£2,844.16	£16,500.00	£12,500.00
521	Major Repairs/Renovations	£300.00	£7,854.95	£7,500.00	£5,000.00
522	Hall Improvements	£18,545.06	£9,167.76	£35,000.00	£20,000.00
523	Clock Service	£312.00	£0.00	£350.00	£370.00
530	Licence	£180.00	£224.50	£200.00	£250.00
535	Performing Rights	£2,019.71	£2,247.44	£2,500.00	£2,500.00
540	Marketing	£0.00	£0.00	£750.00	£750.00
590	Miscellaneous	£300.78	£0.00	£500.00	£300.00
Public Hall Committee Expenditure Total		£80,124.07	£52,900.35	£130,300.00	£99,278.00
Future Expenditure					
Total Expenditure		£283,401.20		£359,850.00	

Precept Calculator

Start of year 01/04/25

Heading		Last year's net	Actual net	25/26	26/27
Net Expenditure		£54,771.27		£112,850.00	£45,345.80
Funding	Reserves				£0.00
	S106 / CIL				£0.00
	Loans				
	New Precept				£227,692.20
	Other Income				£54,552.50
	Total Funding				£282,244.70
	Balance				-£45,345.80

01/04/25	Tax Base	x	Band D	=	Current year precept
Council Tax	2994.0000000		66.13000000		£197,993.22
01/04/26	New Tax Base		%age increase		
Tax Calculation	2994.00		15.00000000		
Band D	+	extra cost	=	New band D	
66.13		9.92		76.05	
New Tax Base	x	New Band D	=	Proposed Precept	
2994.0000		76.05		227692.2000	
				£197,993.22	+
				£29,698.98	=
					£227,692.20

Model Financial Regulations

- (i) To receive details of the new MFR
- (ii) To accept the model financial regulation and to recommendation to the Town Council to adopt these regulations

About the Model Financial Regulations (England)

This template, last updated on 5 March 2025, has been issued by the finance advisor to NALC, Parkinson Partnership LLP to reflect the Procurement Act 2023 and new Procurement Regulations.

Model Financial Regulations provide parish and town councils with standardised guidance for managing and overseeing their financial activities. They offer a clear framework for good financial governance, supporting transparency, accountability, and efficiency. Following these regulations helps councils safeguard public funds and promote sound governance practices.

BSTC previously adopted the model guidelines, available on the BSTC website [here](#)

Items in **bold** indicate legal requirements, which a council cannot change or suspend.

Note on points within the MFR

2.2 Risk:

Risk Management and Risk Assessment documents were reviewed and revised in March 2025 [Min 24.506] and July 2025 Min 25.098

These will need to be combined / revised to develop a risk policy if the TC adopt this item.

2.7 IT Contingency / back up measures

ACS Solutions support BSTC with this. Office systems are cloud based, the actual device being a tool with which to access files.

4.6 Budget and Precept: as BSTC looks to the future it may be useful to consider forecasting more longer term. This is not in place at present but could be considered for adoption as a policy in the future.

5.7 Referring to the Procurement Act 2023

6.1 Banking : 'The arrangements shall be reviewed annually for security and efficiency' : it is noted that further guidance will be obtained to ensure the BSTC is compliant on this new point, going forward (if adopted)



Buddleigh Salterton Town Council

Financial Regulations

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These Financial Regulations were adopted by the council at its meeting held on [enter date].

Items in yellow are for review

General

- 1.1. These Financial Regulations govern the financial management of the council and may only be amended or varied by resolution of the council. They are one of the council's governing documents and shall be observed in conjunction with the council's Standing Orders.
- 1.2. Councillors are expected to follow these regulations and not to entice employees to breach them. Failure to follow these regulations brings the office of councillor into disrepute.
- 1.3. Wilful breach of these regulations by an employee may result in disciplinary proceedings.
- 1.4. In these Financial Regulations:
 - 'Accounts and Audit Regulations' means the regulations issued under Sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force, unless otherwise specified.
 - "Approve" refers to an online action, allowing an electronic transaction to take place.
 - "Authorise" refers to a decision by the council, or a committee or an officer, to allow something to happen.
 - 'Proper practices' means those set out in *The Practitioners' Guide*
 - *Practitioners' Guide* refers to the guide issued by the Joint Panel on Accountability and Governance (JPAG) and published by NALC in England or Governance and Accountability for Local Councils in Wales – A Practitioners Guide jointly published by One Voice Wales and the Society of Local Council Clerks in Wales.
 - 'Must' and **bold text** refer to a statutory obligation the council cannot change.
 - 'Shall' refers to a non-statutory instruction by the council to its members and staff.
- 1.5. The Responsible Financial Officer (RFO) holds a statutory office, appointed by the council. The Clerk has been appointed as RFO and these regulations apply accordingly. 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 control systems;
 - ensures the accounting control systems are observed;
 - ensures the accounting records are kept up to date;
 - seeks economy, efficiency and effectiveness in the use of council resources; and
 - produces financial management information as required by the council.
- 1.6. **The council must not delegate any decision regarding:**

- **setting the final budget or the precept (council tax requirement);**
- **the outcome of a review of the effectiveness of its internal controls**
- **approving accounting statements;**
- **approving an annual governance statement;**
- **borrowing;**
- **declaring eligibility for the General Power of Competence; and**
- **addressing recommendations from the internal or external auditors**

1.7. In addition, the council shall:

- determine and regularly review the bank mandate for all council bank accounts;
- authorise any grant or single commitment in excess of £5,000;

2. Risk management and internal control

2.1. **The council must ensure that it has a sound system of internal control, which delivers effective financial, operational and risk management.**

2.2. The Clerk [with the RFO] shall prepare, for approval by the council, a risk management policy covering all activities of the council. This policy and consequential risk management arrangements shall be reviewed by the council at least annually.

2.3. When considering any new activity, the Clerk [with the RFO] shall prepare a draft risk assessment including risk management proposals for consideration by the council.

2.4. **At least once a year, the council must review the effectiveness of its system of internal control, before approving the Annual Governance Statement.**

2.5. **The accounting control systems determined by the RFO must include measures to:**

- **ensure that risk is appropriately managed;**
- **ensure the prompt, accurate recording of financial transactions;**
- **prevent and detect inaccuracy or fraud; and**
- **allow the reconstitution of any lost records;**
- **identify the duties of officers dealing with transactions and**
- **ensure division of responsibilities.**

2.6. At least once in each quarter, and at each financial year end, a member other than the Chair shall be appointed to verify bank reconciliations for all accounts produced by the RFO. The member shall sign and date the reconciliations and the original bank statements or similar document) as evidence of this. This activity, including any exceptions, shall be reported to and noted by the council.

- 2.7. Regular back-up copies shall be made of the records on any council computer and stored either online or in a separate location from the computer. The council shall put measures in place to ensure that the ability to access any council computer is not lost if an employee leaves or is incapacitated for any reason.

3. Accounts and audit

- 3.1. All accounting procedures and financial records of the council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 3.2. **The accounting records determined by the RFO must be sufficient to explain the council's transactions and to disclose its financial position with reasonable accuracy at any time. In particular, they must contain:**
- **day-to-day entries of all sums of money received and expended by the council and the matters to which they relate;**
 - **a record of the assets and liabilities of the council;**
- 3.3. The accounting records shall be designed to facilitate the efficient preparation of the accounting statements in the Annual Governance and Accountability Return.
- 3.4. The RFO shall complete and certify the annual Accounting Statements of the council contained in the Annual Governance and Accountability Return in accordance with proper practices, as soon as practicable after the end of the financial year. Having certified the Accounting Statements, the RFO shall submit them (with any related documents) to the council, within the timescales required by the Accounts and Audit Regulations.
- 3.5. **The council must ensure that there is an adequate and effective system of internal audit of its accounting records and internal control system in accordance with proper practices.**
- 3.6. **Any officer or member of the council must make available such documents and records as the internal or external auditor consider 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.
- 3.7. The internal auditor shall be appointed by [the council] and shall carry out their work to evaluate the effectiveness of the council's risk management, control and governance processes in accordance with proper practices specified in the Practitioners' Guide.
- 3.8. The council shall ensure that the internal auditor:
- is competent and independent of the financial operations of the council;
 - reports to council in writing, or in person, on a regular basis with a minimum of one written report during each financial year;
 - can demonstrate competence, objectivity and independence, free from any actual or perceived conflicts of interest, including those arising from family relationships; and

- has no involvement in the management or control of the council
- 3.9. Internal or external auditors may not under any circumstances:
- perform any operational duties for the council;
 - initiate or approve accounting transactions;
 - provide financial, legal or other advice including in relation to any future 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.
- 3.10. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as described in The Practitioners Guide.
- 3.11. 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 documents required by the Local Audit and Accountability Act 2014, or any superseding legislation, and the Accounts and Audit Regulations.
- 3.12. The RFO shall, without undue delay, bring to the attention of all councillors any correspondence or report from internal or external auditors.

4. Budget and precept

- 4.1. **Before setting a precept, the council must calculate its council tax requirement for each financial year by preparing and approving a budget, in accordance with The Local Government Finance Act 1992 or succeeding legislation.**
- 4.2. Budgets for salaries and wages, including employer contributions shall be reviewed by the finance committee at least annually in October/November for the following financial year and the final version shall be evidenced by a hard copy schedule signed by the Clerk and the Chair of the Council or relevant committee. The RFO will inform committees of any salary implications before they consider their draft budgets.
- 4.3. No later than November each year, the RFO shall prepare a draft budget with detailed estimates of all income and expenditure for the following financial year taking account of the lifespan of assets and cost implications of repair or replacement.
- 4.4. Unspent budgets for completed projects shall not be carried forward to a subsequent year. Unspent funds for partially completed projects may only be carried forward (by placing them in an earmarked reserve) with the formal approval of the full council.
- 4.5. Each committee (if any) shall review its draft budget and submit any proposed amendments to the finance committee not later than the end of Octyoberr each year.

- 4.6. The draft budget with any committee proposals and [three-year] forecast, including any recommendations for the use or accumulation of reserves, shall be considered by the finance committee and a recommendation made to the council.
- 4.7. Having considered the proposed budget and [three-year] forecast, the council shall determine its council tax requirement by setting a budget. The council shall set a precept for this amount no later than the end of January for the ensuing financial year.
- 4.8. **Any member with council tax unpaid for more than two months is prohibited from voting on the budget or precept by Section 106 of the Local Government Finance Act 1992 and must disclose at the start of the meeting that Section 106 applies to them.**
- 4.9. The RFO shall **issue the precept to the billing authority no later than the end of February** and supply each member with a copy of the agreed annual budget.
- 4.10. The agreed budget provides a basis for monitoring progress during the year by comparing actual spending and income against what was planned.
- 4.11. Any addition to, or withdrawal from, any earmarked reserve shall be agreed by the council.

5. Procurement

- 5.1. **Members and officers are responsible for obtaining value for money at all times.** Any officer procuring goods, services or works should ensure, as far as practicable, that the best available terms are obtained, usually by obtaining prices from several suppliers.
- 5.2. The RFO should verify the lawful nature of any proposed purchase before it is made and in the case of new or infrequent purchases, should ensure that the legal power being used is reported to the meeting at which the order is authorised and also recorded in the minutes.
- 5.3. Every contract shall comply with the council's Standing Orders and these Financial Regulations and no exceptions shall be made, except in an emergency.
- 5.4. **For a contract for the supply of goods, services or works where the estimated value will exceed the thresholds set by Parliament, the full requirements of The Procurement Act 2023 and The Procurement Regulations 2024 or any superseding legislation ("the Legislation"), must be followed in respect of the tendering, award and notification of that contract.**
- 5.5. Where the estimated value is below the Government threshold, the council shall (with the exception of items listed in paragraph 5.12) obtain prices as follows:
- 5.6. For contracts estimated to exceed £60,000 including VAT, the Clerk shall seek formal tenders from at least three suppliers agreed by the council OR advertise an open invitation for tenders in compliance with any relevant provisions of the Legislation. Tenders shall be invited in accordance with Appendix 1.
- 5.7. **For contracts estimated to be over £30,000 including VAT, the council must comply with any requirements of the Legislation regarding the publication of invitations and notices.**

- 5.8. For contracts greater than [£3,000] excluding VAT the Clerk/ RFO shall seek at least [3] fixed-price quotes;
- 5.9. where the value is between [£500] and [£3,000] excluding VAT, the Clerk/ RFO shall try to obtain 3 estimates {which might include evidence of online prices, or recent prices from regular suppliers.}
- 5.10. For smaller purchases, the clerk shall seek to achieve value for money.
- 5.11. **Contracts must not be split to avoid compliance with these rules.**
- 5.12. The requirement to obtain competitive prices in these regulations need not apply to contracts that relate to items (i) to (iv) below:
- i. specialist services, such as legal professionals acting in disputes;
 - ii. repairs to, or parts for, existing machinery or equipment;
 - iii. works, goods or services that constitute an extension of an existing contract;
 - iv. goods or services that are only available from one supplier or are sold at a fixed price.
- 5.13. When applications are made to waive this financial regulation to enable a price to be negotiated without competition, the reason should be set out in a recommendation to the council {or relevant committee}. Avoidance of competition is not a valid reason.
- 5.14. The council shall not be obliged to accept the lowest or any tender, quote or estimate.
- 5.15. Individual purchases within an agreed budget for that type of expenditure may be authorised by:
- the Clerk/RFO, under delegated authority, for any items below £500 excluding VAT.
 - the Clerk, in consultation with the Chair of the Council for any items below [£2,000] excluding VAT.
 - the council for all items over [£5,000];
- Such authorisation must be supported by a minute (in the case of council or committee decisions) or other auditable evidence trail.
- 5.16. No individual member, or informal group of members may issue an official order unless instructed to do so in advance by a resolution of the council or make any contract on behalf of the council.
- 5.17. No expenditure may be authorised that will exceed the budget for that type of expenditure other than by resolution of the council or a duly delegated committee acting within its Terms of Reference except in an emergency.
- 5.18. In cases of serious risk to the delivery of council services or to public safety on council premises, the clerk may authorise expenditure of up to [£2,000] excluding VAT on repair, replacement or other work that in their judgement is necessary, whether or not there is any budget for such expenditure. The Clerk shall report such

action to the Chair as soon as possible and to the council as soon as practicable thereafter.

- 5.19. No expenditure shall be authorised, no contract entered into or tender accepted in relation to any major project, unless [the council] is satisfied that the necessary funds are available and that where a loan is required, Government borrowing approval has been obtained first.
- 5.20. An official order or letter shall be issued for all work, goods and services above £250 excluding VAT unless a formal contract is to be prepared or an official order would be inappropriate. Copies of orders shall be retained, along with evidence of receipt of goods.
- 5.21. Any ordering system can be misused and access to them shall be controlled by the RFO.

6. Banking and payments

- 6.1. The council's banking arrangements, including the bank mandate, shall be made by the RFO and authorised by the council; banking arrangements shall not be delegated to a committee. The council has resolved to bank with Lloyds Bank. The arrangements shall be reviewed annually for security and efficiency.
- 6.2. The council must have safe and efficient arrangements for making payments, to safeguard against the possibility of fraud or error. Wherever possible, more than one person should be involved in any payment, for example by dual online authorisation or dual cheque signing. Even where a purchase has been authorised, the payment must also be authorised and only authorised payments shall be approved or signed to allow the funds to leave the council's bank.
- 6.3. All invoices for payment should be examined for arithmetical accuracy, analysed to the appropriate expenditure heading and verified to confirm that the work, goods or services were received, checked and represent expenditure previously authorised by the council before being certified by the RFO.
- 6.4. Personal payments (including salaries, wages, expenses and any payment made in relation to the termination of employment) may be summarised to avoid disclosing any personal information.
- 6.5. All payments shall be made by online banking/cheque, in accordance with a resolution of the council, unless the council resolves to use a different payment method.
- 6.6. For each financial year the RFO may draw up a schedule of regular payments due in relation to a continuing contract or obligation (such as Salaries, PAYE, National Insurance, pension contributions, rent, rates, regular maintenance contracts and similar items), which the council {or a duly delegated committee} may authorise in advance for the year}.
- 6.7. A list of such payments shall be reported to the next appropriate meeting of the council for information only.

- 6.8. The Clerk and RFO shall have delegated authority to authorise payments in the following circumstances:
- i. any payments of up to £500 excluding VAT, within an agreed budget.
 - ii. payments of up to £2,000 excluding VAT in cases of serious risk to the delivery of council services or to public safety on council premises.
 - iii. any payment necessary to avoid a charge under the Late Payment of Commercial Debts (Interest) Act 1998 {or to comply with contractual terms}, where the due date for payment is before the next scheduled meeting of the council, where the Clerk/ RFO certify that there is no dispute or other reason to delay payment, provided that a list of such payments shall be submitted to the next appropriate meeting of council.
 - iv. Fund transfers within the councils banking arrangements up to the sum of £25,000, provided that a list of such payments shall be submitted to the next appropriate meeting of council [or finance committee].
- 6.9. The RFO shall present a schedule of payments requiring authorisation, forming part of the agenda for the meeting, together with the relevant invoices, to the council. The council shall review the schedule for compliance and, having satisfied itself, shall authorise payment by resolution. The authorised schedule shall be initialled immediately below the last item by the person chairing the meeting. A detailed list of all payments shall be disclosed within or as an attachment to the minutes of that meeting.

7. Electronic payments

- 7.1. Where internet banking arrangements are made with any bank, the RFO shall be appointed as the Service Administrator. The bank mandate agreed by the council shall identify a number of councillors who will be authorised to approve transactions on those accounts and a minimum of two people will be involved in any online approval process. The Clerk may be an authorised signatory, but no signatory should be involved in approving any payment to themselves.
- 7.2. All authorised signatories shall have access to view the council's bank accounts online.
- 7.3. No employee or councillor shall disclose any PIN or password, relevant to the council or its banking, to anyone not authorised in writing by the council or a duly delegated committee.
- 7.4. The Service Administrator shall set up all items due for payment online. A list of payments for approval, together with copies of the relevant invoices, shall be sent by email to all authorised signatories.
- 7.5. In the prolonged absence of the Service Administrator [an authorised signatory] shall set up any payments due before the return of the Service Administrator.
- 7.6. Two councillors who are authorised signatories shall check the payment details against the invoices before approving each payment using the online banking system.

- 7.7. Evidence shall be retained showing which members approved the payment online and a printout of the transaction confirming that the payment has been made shall be appended to the invoice for audit purposes.
- 7.8. A full list of all payments made in a month shall be provided to the next council meeting and appended to the minutes.
- 7.9. With the approval of the council in each case, regular payments (such as gas, electricity, telephone, broadband, water, National Non-Domestic Rates, refuse collection, pension contributions and HMRC payments) may be made by variable direct debit. The approval of the use of each variable direct debit shall be reviewed by the council at least every two years.
- 7.10. Payment may be made by BACS or CHAPS by resolution of the council provided that each payment is approved online by two authorised bank signatories, evidence is retained and any payments are reported to the council at the next meeting. The approval of the use of BACS or CHAPS shall be renewed by resolution of the council at least every two years.
- 7.11. If thought appropriate by the council, regular payments of fixed sums may be made by banker's standing order, provided that the instructions are signed or approved online by two members, evidence of this is retained and any payments are reported to council when made. The approval of the use of a banker's standing order shall be reviewed by the council at least every two years.
- 7.12. Account details for suppliers may only be changed upon written notification by the supplier verified by the RFO and a member. This is a potential area for fraud and the individuals involved should ensure that any change is genuine. Data held should be checked with suppliers every two years.
- 7.13. Members and officers shall ensure that any computer used for the council's financial business has adequate security, with anti-virus, anti-spyware and firewall software installed and regularly updated.
- 7.14. Remembered password facilities other than secure password stores requiring separate identity verification should not be used on any computer used for council banking.

8. Cheque payments

BSTC does not operate a cheque book

9. Payment cards

- 9.1. Any Debit Card issued for use will be specifically restricted to 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.
- 9.2. Any corporate credit card or trade card account opened by the council will be specifically restricted to use by the RFO and any balance shall be paid in full each month.
- 9.3. Personal credit or debit cards of members or staff shall not be used except for expenses of up to £250 including VAT, incurred in accordance with council policy.

10. Petty Cash

- 10.1. The council will not maintain any form of cash float. All cash received must be banked intact. Any payments made in cash by the RFO (for example for postage or minor stationery items) shall be refunded on a regular basis, at least quarterly. .
- 10.2.
 - a) Cash income received must not be paid into the petty cash float but must be separately banked, as provided elsewhere in these regulations.

11. Payment of salaries and allowances

- 11.1. **As an employer, the council must make arrangements to comply with the statutory requirements of PAYE legislation.**
- 11.2. **Councillors allowances (where paid) are also liable to deduction of tax under PAYE rules and must be taxed correctly before payment.**
- 11.3. Salary rates shall be agreed by the council, or a duly delegated committee. No changes shall be made to any employee's gross pay, emoluments, or terms and conditions of employment without the prior consent of the council
- 11.4. Payment of salaries shall be made, after deduction of tax, national insurance, pension contributions and any similar statutory or discretionary deductions, on the dates stipulated in employment contracts.
- 11.5. Deductions from salary shall be paid to the relevant bodies within the required timescales, provided that each payment is reported, as set out in these regulations above.
- 11.6. Each payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a payroll control account or other separate confidential record, with the total of such payments each calendar month reported in the cashbook. Payroll reports will be reviewed by [the finance committee] to ensure that the correct payments have been made.
- 11.7. Any termination payments shall be supported by a report to the council, setting out a clear business case. Termination payments shall only be authorised by the full council.
- 11.8. Before employing interim staff, the council must consider a full business case.

12. Loans and investments

- 12.1. Any application for Government approval to borrow money and subsequent arrangements for a loan must be authorised by the full council and recorded in the minutes. All borrowing shall be in the name of the council, after obtaining any necessary approval.
- 12.2. Any financial arrangement which does not require formal borrowing approval from the Secretary of State (such as Hire Purchase, Leasing of tangible assets or loans to be repaid within the financial year) must be authorised by the full council, following a written report on the value for money of the proposed transaction.
- 12.3. The council shall consider the requirement for an Investment Strategy and Policy in accordance with Statutory Guidance on Local Government Investments, which must

be written in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the council at least annually.

12.4. All investment of money under the control of the council shall be in the name of the council.

12.5. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.

12.6. Payments in respect of short term or long-term investments, including transfers between bank accounts held in the same bank, shall be made in accordance with these regulations.

13. Income

13.1. The collection of all sums due to the council shall be the responsibility of and under the supervision of the RFO.

13.2. The council will review all fees and charges for work done, services provided, or goods sold at least annually as part of the budget-setting process, following a report of the Clerk. The RFO shall be responsible for the collection of all amounts due to the council.

13.3. Any sums found to be irrecoverable and any bad debts shall be reported to the council by the RFO and shall be written off in the year. The council's approval shall be shown in the accounting records.

13.4. All sums received on behalf of the council shall be deposited intact with the council's bankers, with such frequency as the RFO considers necessary. The origin of each receipt shall clearly be recorded on the paying-in slip or other record.

13.5. Personal cheques shall not be cashed out of money held on behalf of the council.

13.6. The RFO shall ensure that any repayment claim under section 33 of the VAT Act 1994 shall be made at least annually at the end of the financial year.

13.7. Where significant sums of cash are regularly received by the council, the RFO shall 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 record such as ticket issues, and that appropriate care is taken for the security and safety of individuals banking such cash.

14. Payments under contracts for building or other construction works

14.1. Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments, which shall be made within the time specified in the contract based on signed certificates from the architect or other consultant engaged to supervise the works.

14.2. Any variation of, addition to or omission from a contract must be authorised by the Clerk to the contractor in writing, with the council being informed where the final cost is likely to exceed the contract sum by 5% or more, or likely to exceed the budget available.

15. Stores and equipment

- 15.1. The officer in charge of each section]shall be responsible for the care and custody of stores and equipment in that section.
- 15.2. 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.
- 15.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 15.4. The RFO shall be responsible for periodic checks of stocks and stores, at least annually.

16. Assets, properties and estates

- 16.1. The Clerk shall make arrangements for the safe custody of all title deeds and Land Registry Certificates of properties held by the council.
- 16.2. The RFO shall ensure that an appropriate and accurate Register of Assets and Investments is kept up to date, with a record of all properties held by the council, their 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.
- 16.3. 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.
- 16.4. No interest in land 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. In each case a written report 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 where required by law).
- 16.5. 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, except where the estimated value of any one item does not exceed £500. In each case a written report shall be provided to council with a full business case.

17. Insurance

- 17.1. The RFO shall keep a record of all insurances effected by the council and the property and risks covered, reviewing these annually before the renewal date in conjunction with the council's review of risk management.
- 17.2. 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 insurances.
- 17.3. The RFO shall be notified of any loss, liability, damage or event likely to lead to a claim, and shall report these to the council at the next available meeting. The RFO/Clerk shall negotiate all claims on the council's insurers.

- 17.4. All appropriate members and employees of the council shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined annually by the council, or duly delegated committee.

18. Suspension and revision of Financial Regulations

- 18.1. The council shall review these Financial Regulations annually and following any change of clerk or RFO. The Clerk shall monitor changes in legislation or proper practices and advise the council of any need to amend these Financial Regulations.
- 18.2. The council may, by resolution 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 presented to all members. Suspension does not disapply any legislation or permit the council to act unlawfully.
- 18.3. The council may temporarily amend these Financial Regulations by a duly notified resolution, to cope with periods of absence, local government reorganisation, national restrictions or other exceptional circumstances.

Appendix 1 - Tender process

- 1) Any 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.
- 2) The invitation shall in addition state that tenders must be addressed to the Clerk in the ordinary course of post, unless an electronic tendering process has been agreed by the council.
- 3) Where a postal process is used, each tendering firm shall be supplied with a specifically marked envelope in which the tender is to be sealed and remain sealed until the prescribed date for opening tenders for that contract. 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.
- 4) Where an electronic tendering process is used, the council shall use a specific email address that will be monitored to ensure that nobody accesses any tender before the expiry of the deadline for submission.
- 5) Any invitation to tender issued under this regulation shall be subject to Standing Order [insert reference of the council's relevant standing order] and shall refer to the terms of the Bribery Act 2010.
- 6) Where 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, 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.

