

# PADSTOW TOWN COUNCIL

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7 August 2019

**TO: FINANCE AND GENERAL PURPOSES COMMITTEE**

Councillors F J Bealing, R Buscombe, A Flide, R Higman, K Freeman,  
A Rickard, Mrs T Walter and C Watson-Smyth.

Dear Member

All Members of the Committee are hereby summoned to attend a meeting of the **FINANCE AND GENERAL PURPOSES COMMITTEE** at the Council Offices, Station House, Station Road, Padstow on **Tuesday 13 August 2019** at **6.15 pm** for the purpose of considering and resolving upon the business to be transacted as set out hereunder.

Yours faithfully

*K E Pemberton*

Kathy Pemberton  
Town Clerk

**NB: Please note start time**

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## Agenda

### Press & Public are invited to attend

- 1. Election of Chairman/Vice Chairman**
  - i) To **ELECT** Committee Chairman
  - ii) To **ELECT** Committee Vice-Chairman (if Committee so wishes)
- 2. To receive apologies for absence**
- 3. To receive announcements (if any):** For information only
- 4. To receive declarations of interest** relating to items on the agenda in accordance with Padstow Town Council's code of conduct.
- 5. Public Participation:** to receive submissions from members of the public relating to items on the agenda, in accordance with the Council's code of conduct & standing orders.
- 6. To agree the minutes** of the meeting held on **Tuesday 19 February 2019** (pg 1-3)

- 7. Committee Terms of Reference:** To receive the Committee's Terms of Reference and make any recommendations for amendment to Council (if (pg 4-5) necessary).
- 8. Internal Audit:** To note update on progress with Internal Audit (pg 6) Recommendations.
- 9. Financial Regulations:** To receive updated Financial Regulations for (pg 6-20) consideration and recommendation to Full Council for approval.
- 10. Local Government Pension Scheme Employer Discretions Policy:** To receive the LGPS Employer Discretions Policy for consideration and (pg 6 + pg 21-23) recommendation to Full Council for approval.
- 11. Budget-v-Actual Overview:** To receive an update to note for information. (pg 24-27)
- 12. Date of next meeting:** Tuesday 19 November 2019 (budget) at 7.00 pm.

## PADSTOW TOWN COUNCIL

### Minutes of the Finance and General Purposes Committee meeting held on Tuesday 19 February 2019 at 7.00 pm in the Council Office, Station House, Station Road, Padstow

**Present:** Councillors R Higman (Chairman), F J Bealing, K Freeman, A Rickard, Mrs A E Symons, Mrs T Walter and C Watson-Smyth

**In Attendance:** Mrs K Pemberton (Town Clerk), Mrs N Barnes (Responsible Financial Officer and Minute Taker) and 11 members of the public.

**FGP2018/25      Apologies:** were received from Councillor R Buscombe.

**FGP2018/26      Announcements:** There were no announcements.

**FGP2018/27      Declarations of Interest:** Councillors declared interests under agenda item 7) Grants 2019/20, as follows:

- Councillor Mrs T Walter: Friends of Padstow School and The National Lobster Hatchery;
- Councillor C Watson-Smyth: Padstow Tourism Information Centre;
- Councillor K Freeman: Padstow Sailing Club, Friends of Padstow School and Royal British Legion – Padstow

Councillor A Rickard: Padstow United Football Club - Men's and Youth.

**FGP2018/28      Public Participation:** Members of the public spoke in support of Trevone Village Hall Committee, Trevone Women's Institute hall, Cornwall Air Ambulance, Royal British Legion, Padstow Lions for the Carnival and Nadelik Lowen, St John Methodist Church, National Lobster Hatchery, Circling Cornwall and the Chairman read out an email from Padstow and District Community Transport.

A Trevone Village Hall representative advised that Trevone had two halls and one was in a bad state of repair. They have raised £33,000 towards the target of £180,000 to refurbish the hall and are grateful of the Council's support. They had been granted planning permission.

The President of Trevone Women's Institute said that they are a registered charity and would like to install a hearing loop, following refurbishment of the kitchen. The hall is used by all ages and abilities and Councillors are welcome to visit.

A Cornwall Air Ambulance representative spoke of how her father was very grateful for the services of the Air Ambulance when he had a heart attack many years ago. There have been 29 missions in the Padstow area. They have raised £1 million towards a faster more spacious helicopter but need to raise £2 million by April 2020.

The Royal British Legion thanked the Council and its staff for the support with the one hundredth anniversary and the plaque and Tommy. They would be grateful if the Council could once again look favourably on their grant application.

Padstow Lions spoke on behalf of the Carnival which is experiencing higher costs for bands etc. and any help is much appreciated. Padstow Lions also spoke on behalf of Nadelik Lowen, a day for the people of the town. It is a non-commercial venture, where local groups raise money for charities and they are grateful to the Council and Harbour Commissioners for their support.

St John's Methodist Church requested help in their mission and would like to raise funds to extend their initiatives. They are part of the community and the space is used by many local groups. They have not done any internal work for many years and need funds for fire doors, carpets, redecoration etc.

The National Lobster Hatchery spokesperson advised that it had become difficult to obtain funds for their education programme. If they are able to secure funding it will unlock other funding streams.

A Circling Cornwall representative said that they would like to bid for 165 sessions of meditation, train volunteers and they are only paying a small amount for project management.

The Chairman read out an email from Padstow & District Community Transport who thanked the Council for their support over the last eight years. The grants received have played a vital role in keeping the minibus on the road. It has been used by 35 different groups and made over 1000 journeys. Financial support is needed to run the minibus and have funds to replace it in the next few years.

**FGP2018/29** **Minutes Tuesday 20 November 2018: RESOLVED** that the minutes of the meeting held on Tuesday 20 November 2018 were a true record of the meeting and they were signed by the chair.

**FGP2018/30** **Budget Summary and Budget to actual Variance report 2018/19:** The report was noted for information.

**FGP2018/31** **Grants 2019/20:** It was **RESOLVED** that grants be released as per Council's Policy, unless otherwise outlined by the Committee and that the following grants for 2019/20 be offered:

**a) Local Government Act Misc Provisions Act s19**

i) Padstow & District Flower Club £100

**Councillor K Freeman left the meeting for this item.**

ii) Padstow Sailing Club £400

**Councillor Freeman returned to the meeting.**

iii) Padstow Sea Cadets £2150

iv) St Petroc's Senior Citizens Club £700

- v) Padstow Preschool £500
- vi) Padstow Guides, Brownies & Rainbows, Trefoil Guild £500

**Councillors Mrs T Walter and K Freeman left the meeting for this item.**

- vii) Friends of Padstow School £1000

**Councillors Mrs T Walter and K Freeman returned to the meeting.**

- viii) Padstow & District Lions Club a - Carnival £500
- ix) Padstow & District Lions Club b - Nadelik Lowen £500

**Councillor A Rickard left the meeting for these items.**

- x) Padstow United Football Club – Men’s £500
- xi) Padstow United Youth Club £1500

**Councillor A Rickard returned to the meeting.**

- xii) St Petroc’s Church a £400
- xiii) St Petroc’s Church b – Friday Fun Club £450
- xiv) Trevone Women’s Institute £1880
- xv) Circling Cornwall CIC £100
- xvi) Padstow Memory Café £400
- xvii) Padstow Kernow Players £900

**b) Local Government and Rating Act 1997 s26-29**

- i) Padstow & District Community Transport £1830

**c) LGA 1972 s144 Tourism**

**Councillor C Watson-Smyth left the meeting for this item.**

- i) Padstow Tourism Information Centre £3000

**Councillor C Watson-Smyth returned to the meeting.**

**d) LGA 1972 s137**

- i) Trevone Village Hall £5000
- ii) Crafternoonies £150

**Councillor K Freeman left the meeting for this item.**

- iii) Royal British Legion – Padstow £300

**Councillor K Freeman returned to the meeting.**

- iv) Cornwall Air Ambulance Trust £1000

**Councillor Mrs T Walter left the meeting for this item**

- v) The National Lobster Hatchery £240

**Councillor Mrs T Walter returned to the meeting**

- vi) St John’s Methodist Church £1000

**FGP2018/32**

**Date of Next Meeting:** To be confirmed.

Meeting closed at 7.58 pm.

## Terms of reference for the Finance & General Purposes Committee

### Membership

- The Committee will consist of eight elected Councillors and membership will comprise the chairs of budget holding Council Committees – HRT, LTOS, Staffing, the Mayor & Deputy Mayor and other members to a maximum of 8. At its first meeting it will elect a Chairman to preside at its future meetings and will also elect a Vice Chairman if it wishes – to be re-elected each year after the Annual Parish Council meeting. A quorum at the Committees meetings will consist of **four elected members**.
- There will be no non Council members on the committee
- The Committee shall be able to constitute sub-committees and working groups to study any aspect of the Committee's sphere of activity.

### Record of Proceedings

- The committee will meet quarterly Additional meetings can be convened to deal with special events as they occur
- Written minutes will be taken to record the Committee's decisions and will be circulated to all Councillors with recommendations for the next Full Council meeting .The minutes will be published on the Council website. The Town Clerk will be responsible for arranging the recording and distribution of the minutes.

### Responsibilities

**Primary Purpose: to manage the Council's financial resources in compliance with the Council's Financial Regulations and Standing Orders and to debate and recommend strategy and action on policy and operational matters concerned with Council's finances, property, resources, land and manpower.**

The Finance Committee will have full **delegated authority** in respect of

1. The carrying out of works to ensure that adequate financial controls are in place to utilise and protect the Council's finances and assets and to have charge over the financial and accounting arrangements of the Council. This will include the insurance of buildings and property and maintenance of an asset register to all Town Council property. It should ensure that the Council's registered title is held at the Land registry.
2. Any decision on the virement of funds between any Council budgets – any request for virement from committees will be sent as recommendations to F & GP.
3. Monitoring and effecting compliance with laid down internal and external audit and other financial procedures, regulations and statutes. However they **will make recommendations** in respect of any audit report
4. Reviewing Council Fees and Charges in partnership with other relevant committees on a regular annual basis
5. Monitoring the Council's financial risk assessments and make changes where necessary.
6. Establishing a clear policy for grant aid administration and to approve grants awarded each year.
7. Approving the use of the Town Crest by any other organisation

8. Deciding on Publicity matters not already delegated to the Town Clerk which relate to the Town Council newsletter, website, publicity and press releases,
9. Exercising the Town Council's powers to direct as to the custody of parish property and documents in accordance with the provisions of the Local Government Act 1972 s. 226,
10. Negotiating all tenders and the acceptance of tenders and supervision of contracted projects (provided expenditure is within the budgetary provision),
11. Council leases including drafting and negotiating terms
12. The renewal of leasing/licensing agreements
13. Regarding the future provision of civic regalia
14. All aspects of Health and Safety that fall within the remit of the committee,

**To make recommendations to Full Council in respect of -**

1. The preparation of budgets, recommendation of precepts and budgets and consideration of payments on capital account for the next financial year after receiving other committees budget requests
2. Amendments to the Council's Financial Regulations annually and to ensure that the Council is observing the regulations
3. The provision for future capital projects, expenditure from contingency fund and the use of Council reserves.
4. The securing and security of all Town Council property and land
5. Regarding the prosecution or defence of any legal proceedings.
6. The use of powers to acquire by agreement, or to dispose of land in accordance with the provisions of the Local Government Act 1972 s.139
7. The use of its powers to accept gifts, including land, in accordance with the provisions of the Local Government Act 1972 s. 139
8. Consideration of requests to exercise Local Government Pension Scheme (LGPS) discretions as outlined in the Council's Employer Discretions Policy.
9. Undertake an internal audit review annually relating to i) compliance of standards; and ii) overall effectiveness to be reported to Council

## **Finance and General Purposes Committee: 23 July 2019**

### **Agenda item 8: Internal Audit**

The recommendations in the Internal Audit Report of 11.4.19 have been actioned: procurement activity over £5000 has been updated on the website and the Model Publication Scheme was available on the website, the location was advised to the Internal Auditor.

### **Agenda item 9: Financial Regulations**

The Financial Regulations (Appendix 1) have been reviewed, checked with the Internal Auditor and updated via tracked changes for consideration by the Committee, to recommend to Council for approval. The Financial Regulations are now appended to the Standing Orders to avoid duplication when referring to the Financial Regulations in the Standing Orders.

The changes are:

Section 2 – to delete December as a possible date for the FGP Budget meeting and alter 'shall fix' to 'recommend to Council' the Precept.

Section 4 – alter 'Annual Return' to Annual Governance and Accountability Return'.

### **Agenda item 10: Local Government Pension Scheme (LGPS) Employer Discretions Policy**

The LGPS Employer Discretions Policy (Appendix 2) must be reviewed regularly and updated as necessary. The Committee is asked to recommend to Council for approval the updated Policy. The original PTC Policy in 2014 was based on the Cornwall Council version. Broadly the Council will not make any additional pension contributions to the LGPS scheme for individual members of staff unless there is a financial and organisational benefit to the Council.

It has been updated to remove the 2014 dates and the only other change is to add section 8 Shared Cost Additional Pension Contributions. This is where an employee has 30 days after returning from unpaid leave to advise that they wish to 'buy back' the lost pension, with the employer paying 2/3 of the cost. Section 8 details that the Council will not extend the 30 day deadline.

NB  
10.7.19



## **PADSTOW TOWN COUNCIL - FINANCIAL REGULATIONS**

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**These Financial Regulations were adopted by the Full Council of the Town Council at its Meeting held on the ~~30<sup>th</sup> July-2019~~ 28<sup>th</sup> November 2017.**

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### **1. GENERAL**

- 1.1a The conduct of the affairs of the Council is governed by the statutes, statutory instrument and proper practice for parish and town councils and standing orders of the Council. These regulations should therefore be read in conjunction with those and any other policies or procedures referred to in this document. Any contract or grant condition entered into by the Council that imposes additional conditions shall also have precedence over these regulations.
- 1.1b These financial regulations govern the conduct of financial management by the Council and may only be amended or varied by resolution of the Council. 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 financial control, which facilitates the effective exercise of the council's functions, including arrangements for the management of risk and for the prevention and detection of fraud and corruption. These financial regulations are designed to demonstrate how the council meets these responsibilities.
- 1.2 The Responsible Financial Officer (RFO) is a statutory office and shall be appointed by the council. The Accountant has been appointed as RFO for this council and these regulations will apply accordingly. The RFO, acting under the policy direction of the Finance and General Purposes Committee, shall administer the Council's financial affairs in accordance with proper practices. The RFO shall determine on behalf of the council its accounting records, and accounting control systems. The RFO shall ensure that the accounting control systems are observed and that the accounting records of the council are maintained and kept up to date in accordance with proper practices.
- 1.3 The RFO shall produce financial management information as required by the council.
- 1.4 At least once a year, prior to approving the annual return, the council shall conduct a review of the effectiveness of its system of internal control, which shall be in accordance with proper practices.
- 1.5 In these financial regulations, references to the Accounts and Audit Regulations shall mean latest regulations issued and currently in force.

- 1.6 In these financial regulations the term 'proper practice' or 'proper practices' shall refer to guidance issued in Governance and Accountability in local Councils in England and Wales – a Practitioners' Guide which is published jointly by NALC and SLCC and updated from time to time.
- 1.7 The RFO and Town Clerk are responsible for ensuring that all payments are legal and within the powers of the Council.
- 1.8a The Council must approve the setting up of and any changes to accounts with banks or other financial institutions.
- 1.8b The Council must approve entry into a 'pooling' or 'sweep' arrangement whereby the bank periodically aggregates the council's various balance via automatic transfers.
- 1.8c If held, corporate credit card accounts must be set up to operate within defined limits and cleared monthly by direct debit from the main bank account.
- 1.9a Those with direct responsibility for money must undertake appropriate training from time to time.
- 1.9b The Council has considered Appendix 10 of Governance and Accountability 2014 and has addressed the segregation of duties that relate to all aspects of the Council's control of money. It has ensured that, where weaknesses exist, compensating controls have been put in place to address those weaknesses and is therefore confident that, so far as practical, it has addressed the security of money and risk of fraud, theft or error in relation to its monetary transactions.

Councillors who have been assigned scrutiny roles in managing the Council's money are committed to doing so diligently and ensuring they have the appropriate training and updating in the area for which they have responsibility. The Council is committed to supporting such training.

—The Council will annually review the arrangements for managing money.

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- 1.10 Deliberate or wilful breach of these Regulations by an employee may give rise to disciplinary proceedings.
- 1.11 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.

1.12 The Council is not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:

- a) setting the final budget or the precept (council tax requirement)
- b) approving accounting statements
- c) approving an annual governance statement
- d) borrowing
- e) writing off bad debts
- f) declaring eligibility for the General Power of Competence; and
- g) addressing recommendations in any report from the internal or external auditors,

shall be a matter for Full Council only.

## **2. ANNUAL ESTIMATES (BUDGET)**

2.1 Each Committee shall formulate and submit proposals to the Finance & General Purposes Committee in respect of revenue and capital including the use of reserves and all sources of funding for the following financial year not later than the 31st October each year.

2.2 Detailed estimates of all receipts and payments including the use of reserves and all sources of funding for the year shall be prepared each year by the RFO in the form of a budget to be considered by the F & GP committee.

2.3 The F & GP committee shall review the budget each year during ~~either November or December~~ and ~~recommend to Council shall fix~~ the Precept to be levied for the ensuing financial year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved budget.

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2.4 The annual budgets shall form the basis of financial control for the ensuing year.

## **3 BUDGETARY CONTROL**

3.1 Expenditure on revenue items may be incurred up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:

- a) the Council for all items over £15,000

b) a duly delegated committee of the Council for items over £10,000

c) the Clerk or RFO with the Chairman of the Council or the Chairman of the Finance Committee or Chairman of the Committee, for any items below £10,000 but greater than £5000.

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

Contracts may not be disaggregated to avoid controls imposed by these regulations.

- 3.2 No expenditure may be incurred that will exceed the amount provided, in excess of £2000, in the revenue budget for that class of expenditure. 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.
- 3.3 The RFO shall regularly provide the F & GP committee with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure to the appropriate date against that planned as shown in the budget. These statements are to be prepared at least twice a year.
- 3.4 The RFO or Clerk may incur expenditure on behalf of the Council which is necessary to carry out any repair replacement or other work which is of such extreme urgency that it must be done at once, whether or not there is any budgetary provision for the expenditure, subject to a limit of £1000. The Clerk shall report the action to the Council as soon as practicable thereafter.
- 3.5 Unspent provisions in the revenue budget shall not be carried forward to a subsequent year unless placed in an earmarked reserve by resolution of the council.
- 3.6 No expenditure shall be incurred in relation to any capital project and no contract entered into or tender accepted involving capital expenditure unless the F & GP committee is satisfied that the necessary funds are available, or the requisite borrowing approval has been obtained.
- 3.7 All capital works shall be administered in accordance with the Council's standing orders and financial regulations relating to contracts.
- 3.8 Virements – The budget control level for committee expenditure be defined as expenditure on staff, expenditure on other revenue activities, capital expenditure. Provided that overall expenditure is

contained within approved totals for these sections of the budget the budget may be adjusted by the RFO with approval of the Clerk without reference to the Committee. A virement may be made by a budget holding committee without reference to F&GP where the RFO confirms the adjustment does not result in any identified ongoing increased contractual obligation to the Council in future years. The F & GP committee shall consider all other virements. The F&GP committee may approve virements that do not impact on future years or require the use of additional reserves which shall be determined by the Council.

#### **4. ACCOUNTING AND AUDIT**

- 4.1 All accounting procedures and financial records of the Council shall be determined by the RFO in accordance with the Accounts and Audit Regulations.
- 4.2 The RFO shall complete the annual financial statements of the Council, including the council's annual return, as soon as practicable after the end of the financial year and shall submit them and report thereon to the Council.
- 4.3 The RFO shall complete the Accounts of the Council contained in the Annual Return (as supplied by the Auditor appointed from time to time) and shall submit the Annual [Governance and Accountability](#) Return for approval and authorisation by the Council within the timescales set by the Accounts and Audit Regulations.
- 4.4 The RFO shall ensure that there is adequate and effective system of internal audit of the Council's accounting, financial and other operations in accordance with proper practices. Any officer or member of the Council shall, if the RFO or Internal Auditor requires, make available such documents of the Council which appear to the RFO or Internal Auditor to be necessary for the purpose of the internal audit and shall supply the RFO or Internal Auditor with such information and explanation as the RFO or Internal Auditor considers necessary for that purpose.
- 4.5 The Internal Auditor shall be appointed by and shall carry out the work required by the council in accordance with proper practices. The Internal Auditor, who shall be competent and independent of the operations of the Council, shall report to Council in writing, or in person, on a regular basis with a minimum of one annual written report in respect of each financial year. In order to demonstrate objectivity and independence, the internal auditor shall be free from any conflicts of interest and have no involvement in the financial decision-making, management or control of the council.

4.6 The RFO shall make arrangements for the opportunity for statutory inspection of the accounts, books, and vouchers and for the display or publication of any Notices and statements of account required.

4.7 The RFO shall, as soon as practicable, bring to the attention of all councillors any correspondence or report from the Internal or External Auditor, unless the correspondence is of a purely administrative matter.

## **5. BANKING ARRANGEMENTS AND CHEQUES**

5.1 The Council's banking arrangements, including the Bank Mandate, shall be made by the RFO and approved by the Council. They shall be regularly reviewed for efficiency.

5.2 A schedule of the payments required, forming part of the Agenda for the Meeting, shall be prepared by the RFO and, together with the relevant invoices, be presented to Council. If the schedule is in order it shall be authorised by a resolution of the Council and shall be signed by 2 Councillors who are bank signatories. If more appropriate the detail may be shown in the Minutes of the Meeting.

5.3 Payments drawn on the bank account in accordance with the schedule referred to in paragraph 5.2 or in accordance with paragraph 6.4 shall be signed by two members of Council, and where practicable one of these members will be the Chairman of the Finance Committee.

5.3 Bank reconciliations for all bank accounts shall be performed at least monthly and initialled as correct by the Chairman of the Finance Committee or Town Clerk.

5.4 The Council must approve every bank mandate, the list of authorised signatures for each account, the limits of authority for each account signature and any amendments to mandates.

5.5 The Chairman of Finance, Town Clerk and RFO can arrange short-term investment of funds on interest bearing deposit accounts with either Lloyds or Barclays bank in the name of Padstow Town Council. All the transfers of funds from one of the Council's deposit accounts must be made either into another of the Council's existing deposit accounts or into the Council's main current account. The closing of an existing account or the setting up of a new account must be approved by Council.

## **6 PAYMENT OF ACCOUNTS**

- 6.1 When payments have been approved by the Council and the Accounts Outstanding & Addendum to the Accounts Outstanding signed by 2 Councillors who are bank signatories, then payments can be made using online banking or cheques
- 6.1a Urgent payment requisitions must be signed by 2 Councillors, if payments are required between meetings and may be paid using online banking or cheque.
- 6.2 All invoices for payment shall be examined, verified and certified by the RFO. The RFO shall satisfy him/herself that the work, goods or services to which the invoice relates shall have been received, carried out, examined and approved.
- 6.3 The RFO shall examine invoices in relation to arithmetic accuracy and shall analyse them to the appropriate expenditure heading. The RFO shall take all steps to settle all invoices submitted, and which are in order, at the next available Council Meeting.
- 6.4a If a payment is necessary to avoid a charge to interest under the Late Payment of Commercial Debts (Interest) Act 1998, and the due date for payment is before the next scheduled Meeting of Council, where the Clerk and RFO certify that there is no dispute or other reason to delay payment, the RFO may (notwithstanding para 6.3) take all steps necessary to settle such invoices provided that a list of such payments shall be submitted to the next appropriate meeting of Council.
- 6.4b The RFO shall input the amounts payable on the online banking website, the payments will then be authorised separately by the Town Clerk. No individual can make online payments, the bank mandate details separate authorisation is required.
- 6.4c Online payments that are greater than £5,000 will be checked against the payment schedules, by the Chairman of Finance when the bank reconciliations are checked and initialled.
- 6.4d Two Officers or Members must approve any changes to supplier bank details, with documentary evidence retained of both the change implemented and who authorised it.
- 6.5 The RFO or Clerk may provide petty cash to officers for the purpose of defraying operational and other expenses. Vouchers for payments made shall be forwarded to the RFO with a claim for reimbursement:
  - a) The RFO shall maintain an appropriate petty cash float for the purpose of defraying operational and other expenses. Vouchers for payments made from petty cash shall be kept to substantiate the payment.

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.

Payment for utility supplies (energy, telephone and water) PAYE, VAT, Cornwall Council and suppliers may be made by variable Direct Debit or payment by Internet Banking provided that the approval is signed by two Councillors who are bank signatories and any payments are reported to council as made. The approval of the use of a variable Direct Debit and Internet Banking shall be renewed by resolution of the council at least every year.

## **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 salaries shall be as agreed by Council.
- 7.2 Payment of salaries and payment of deductions from salary such as may be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions, may be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that the total payment is reported to and ratified by the next available Council Meeting.

## **8 LOANS AND INVESTMENTS**

- 8.1 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.
- 8.2 The council shall implement an Investment Policy which, shall be in accordance with relevant regulations, proper practices and guidance. This Policy shall be reviewed annually.
- 8.3 All investments of money under the control of the Council shall be in the name of the Council.
- 8.4 All borrowings shall be effected in the name of the Council, after obtaining any necessary borrowing approval. Any application for



borrowing approval shall be approved by Council as to terms and purpose. The terms and conditions of borrowings shall be reviewed at least annually.

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

## **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 annually, following a report of the Clerk.
- 9.31 Invoice payment is due within 14 days of the invoice date. Interest may be charged at a rate of 8% above base per annum if payment is not received within 30 days of the invoice date, in accordance with 'The Late Payment of Commercial Debts (Interest) Act 1998', at the discretion of the RFO.

Customers with outstanding accounts at 90 days may be taken to the Small Claims Court or passed to the Council's solicitors to deal with, following a final seven day warning letter, at the discretion of the RFO.

Accounts outstanding at 90 days will be notified to the Finance and General Purposes Committee and/or Full Council.

- 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.

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 made or an official order would be inappropriate as decided by the RFO. 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 (I) below.

## **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 these regulations shall not apply to contracts which relate to items (i) to (vi) below:
- (i) for the supply of gas, electricity, water, sewerage and telephone services;
  - (ii) for specialist services such as are provided by solicitors, accountants, surveyors and planning consultants;
  - (iii) for work to be executed or goods or materials to be supplied which consist of repairs to or parts for existing machinery or equipment or plant;
  - (iv) for work to be executed or goods or materials to be supplied which constitute an extension of an existing contract by the Council;
  - (v) for additional audit work of the external Auditor.

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- (vi) for goods or materials proposed to be purchased which are proprietary articles and/or are only sold at a fixed price.
- (b) Where it is intended to enter into a contract exceeding £75,000 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 RFO or Clerk shall invite tenders from at least three firms.
- (c) 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.
- (d) 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 RFO in the ordinary course of post. 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.
- Contracts will comply with the Public Contracts Regulations 2015 and the Council will ensure that all contracts with an expected value of over £25,000 net are advertised on Contracts Finder.
- (e) All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of the Chairman of Finance and one other member of the F & GP committee, if the Chairman is unavailable another member of F & GP will be present.
- (f) If less than three tenders are received for contracts above £75,000 or if all the tenders are identical the Council may make such arrangements as it thinks fit for procuring the goods or materials or executing the works.
- (g) When it is to enter into a contract less than £75,000 and more than £10,000 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 seek not less than 3 quotations (priced descriptions of the proposed supply); where the value is below £10,000 and above £2000 the Clerk or RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10 (3) above shall apply.

(h) (h) The Council shall not be obliged to accept the lowest or any tender, quote or estimate.

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(i) The successful tenderers for major capital contracts will be asked to provide the guarantee of an insurance company bond or other suitable insolvency cover approved by the Council in a sum normally equal to 10% of the tender sum.

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## **12. PAYMENTS UNDER CONTRACTS FOR BUILDING OR OTHER CONSTRUCTION WORKS**

- 12.1 Payments on account of the contract sum shall be made within the time specified in the contract by the RFO upon authorised certificates of the architect or other consultants engaged to supervise the contract (subject to any percentage withholding as may be agreed in the particular contract).
- 12.2 Where contracts provide for payment by instalments the RFO shall maintain a record of all such payments. In any case where it is estimated that the total cost of work carried out under a contract, excluding agreed variations, will exceed the contract sum by 10% 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 Members of staff in charge of each section shall be responsible for the care and custody of stores and equipment in that section.
- 13.2 Delivery Notes shall be obtained in respect of all goods received into store or otherwise delivered and goods must be checked as to order and quality at the time delivery is made.
- 13.3 Stocks shall be kept at the minimum levels consistent with operational requirements.
- 13.4 The RFO shall be responsible for periodic checks of stocks and stores at least annually.

## **14 ASSETS, PROPERTIES AND ESTATES**

- 14.1 The Clerk shall make appropriate arrangements for the custody of all title deeds and Land Registry Certificates of properties owned by the Council. The RFO shall ensure a record is maintained of all properties owned 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 property shall be 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 £250.
- 14.3 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 Financial Regulation 16), the RFO or Town Clerk shall effect all insurances and negotiate all claims on the Council's insurers.
- 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 insurances.
- 15.3 The RFO or Town Clerk 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 or Town Clerk shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to Council at the next available meeting.
- 15.5 All appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Council.

## **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 organise, 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.

**16.3** Access to computer software containing financial information will be password protected. The passwords will be individual to members of staff or members of the Council and will be changed on a regular basis.

16.4 All staff and members using computers for the Council's financial business shall ensure that anti-virus, anti-spyware, firewall and automatic updates are used, together with a high level of security.

**17 REVISION OF FINANCIAL REGULATIONS**

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

\* \* \* \*

**Padstow Town Council**  
**Local Government Pension Scheme (LGPS)**  
**Employer Discretions Policy**

**Summary**

Cornwall Pension Fund requests all the Councils that belong to the Local Government Pension Scheme provide them with a Local Government Pension Scheme (LGPS) Employer Discretions Policy and that this Policy is reviewed regularly.

The default position is that Padstow Town Council will not make any additional pension contributions to the LGPS scheme. However, in exceptional circumstances, where there is a financial and organisational benefit, the policy provides for the payment of discretionary benefits for early retirement, the award of additional pension, early retirement on compassionate grounds and flexible retirement.

PTC may extend the 12 month limit for allowing active members to transfer benefits from previous pensionable employment into the Pension Fund if omissions have occurred in the provision of information to the employee in administering LGPS.

If PTC exercises the discretions that will benefit an employee this will add to the pension costs which should be quantified before the Council proceeds.

Consideration of requests to exercise any discretions are to be considered by the Staffing and Finance and General Purposes Committees for recommendation to Council. Authorisation and approval to exercise such discretions are for Full Council approval, following consultation with the FGP and Staffing Committees.

**Policy Details**

1. Shared Cost Additional Voluntary Contributions (regulation 17)

Additional Voluntary Contributions (AVC's) allow employees to make additional payments to an insurance policy held with Standard Life.

**Padstow Town Council's policy is not to contribute to an employee's AVC.**

2. Early Payment of Retirement Benefits – Waiving Actuarial Reduction (regulation 30(8))

Employees with at least 2 year's LGPS membership can retire from age 55 and receive immediate benefit of their pension benefits. The default position is that the pension benefits payable are subject to an actuarial reduction (the amount an LGPS pension is reduced if it is taken before an individual's Normal Pension Age).

**Padstow Town Council may choose to make good the actuarial reduction if there is a financial saving and benefit to the Council.**

3. Early Payment of Retirement Benefits between age 55 and 60 – Transitional Provisions Regulations

Employees may retire early but this means a reduction in employee's pension benefits ('switching off' the 85 Year Rule) meaning no additional cost to the employer.

**Padstow Town Council will not 'switch on' the 85 Year Rule for early retirement unless there is a financial saving and benefit to the Council.**

4. Early Retirement on Compassionate Grounds (regulation 30(5))

**Padstow Town Council will allow early retirement on compassionate grounds in exceptional circumstances, for example providing constant care for an immediate family member or extreme financial hardship.**

5. Flexible Retirement (regulation 30(6))

**Padstow Town Council permits flexible retirement only where there is a financial or operational benefit to the Council and providing that the employee's combined reduced earnings and pension do not exceed their pre-retirement earnings. The Council will not waive any actuarial reduction to an employee's pension in this situation and any pension costs must be recovered within 2 years.**

6. Increase of Pension by Employer – regulation 31

**Padstow Town Council does not grant an additional pension unless there is a definable benefit to the Council in so doing.**



7. Transfer of Service into LGPS – regulation 100

**If an employee has not been given any or sufficient details about the pension scheme or transfer option then Padstow Town Council may extend the 12 month time limit for allowing members to transfer pension benefits into the Cornwall Pension Fund.**

8. Shared cost Additional Pension Contributions (APC)

Additional Pension Contributions (APCs) are a method where employees can 'buy back' pension which has been 'lost' when they have a period of authorised unpaid leave of absence. The employer contributes 2/3 of the cost of the APC contract when a member confirms, within 30 days of returning to work, that they wish to purchase this lost pension.

**Padstow Town Council will not extend the 30 day deadline for a member to elect for a shared cost APC upon return from a period of unpaid absence.**

NB  
Updated 4.7.19

**FGP meeting 23.7.19**

**Budget to Actual Variance Report 2019-20 1.4.19 – 30.6.19**

**Overview**

Total income from 1.4.19 – 30.6.19 is £340,857 compared with the budget of £284,785.

Total revenue expenditure from 1.4.19– 30.6.19 is £188,098 compared with the budget of £203,841. Capital/project expenditure is £46,830 and the budget is £85,000.

Explanations for significant variances are detailed below:

**Income**

**Highways, Roads & Transport**

HRT income is £9639 more than the Budget because a prudent approach is taken with forecasting car park income.

**Environment**

Environment income is £3136 greater than the Budget because there have been more burials than anticipated.

**Investment Properties**

Investment Properties income is £42,587 more than the Budget due to back rent invoiced following a rent reviews.

**Expenses:**

**Corporate Services**

Corporate Services expenses are £3728 less than the Budget because the External Audit invoice has not been received yet and other professional services costs are less than expected up to date.

**Central Services**

Central Services costs are £3630 less than the Budget because not all organisations have submitted a Grant Release form yet.

**Environment Toilets**

Environment toilets expenses are £3574 more than the Budget because water costs are greater than anticipated.

### **Leisure Open Spaces**

Leisure Open Spaces costs are £3979 less than the Budget because staff and training costs are less than expected, staff costs are allocated to the cost centres from the timesheets completed by staff.

### **Investment Properties**

Investment Properties expenses are £2088 less than the Budget because insurance and surveyor's costs are less than expected.

### **Administration**

Administration expenses are £6320 less than the Budget because staff costs are less than anticipated, a member of staff left last year and a new receptionist started in June.

### **Capital/projects expenses**

Capital/projects costs are £38,170 less than the budget due to the timing of capital/projects. The capital/projects total of £46,830 includes: Victoria Monument shelter refurbishment, IT updates, Lawn car park works, Station House snagging, Lawn skate park and installing electric to the garages etc.

## **Prior Year Report**

### **Overview**

**Total income** from 1.4.19 – 30.6.19 is £340,857 compared with £302,975 for the same period last year.

**Environment income** is £2960 more than last year because burial fees are greater this year.

**Leisure income** is £2859 less than last year because Cornwall Council was invoiced earlier last year for footpaths and grass-cutting.

**Investment Properties income** is £37,764 more than last year due to back rent invoiced, following rent reviews.

**Total revenue expenditure** from 1.4.19 – 30.6.19 is £188,098 compared with £175,819 for the same period last year.

**Corporate Services expenses** are £4799 less than the prior year partly because some staff costs were included under this cost centre but all office staff are now included under Administration.

**HRT Railway car park expenses** are £4804 more than last year because last year Cornwall Council forgot to take the direct debits for Non Domestic Rates early in the Financial Year.

**Environment toilets expenses** are £4308 less than last year due to a change in the way Everflow issues its bills.

**Leisure Open Spaces expenses** are £3999 more than the previous year because staff costs are higher.

**Administration expenses** are £9382 more than last year because all office staff are now included under this cost centre.

**Other operating expenses** (capital and project expenditure) are £46,830 this year and £5119 last year.

NB  
22.7.19

**Padstow Town Council - FGP 23.7.19**  
**Budget Report**

	Year to Date			Prior Year		
	1.4.19 - 30.6.19	1.4.19 - 30.6.19	Variance	1.4.19 - 30.6.19	1.4.18 - 30.6.18	Variance
	Actual	Budget	£	Actual	Actual	£
<b>Income</b>						
Central Services	137	13	124	137	214	-77
Highways, Roads & Transport	190059	180420	9639	190059	190179	-120
Environment	4388	1252	3136	4388	1428	2960
Leisure	0	0	0	0	2859	-2859
Investment Properties	145587	103000	42587	145587	107823	37764
Other Operating Income (int recvd)	686	100	586	686	472	214
	<b>340857</b>	<b>284785</b>	<b>56072</b>	<b>340857</b>	<b>302975</b>	<b>37882</b>
<b>Operating Expenses</b>						
Democratic Core	93	600	-507	93	210	-117
Corporate Services	8877	12605	-3728	8877	13676	-4799
Central Services	21370	25000	-3630	21370	23000	-1630
HRT Railway Car Park	24124	24700	-576	24124	19320	4804
HRT Lawn Car Park	6648	6487	161	6648	5550	1098
HRT Lighting	0	0	0	0	0	0
Environment Cemetery	6443	5750	693	6443	4232	2211
Environment Toilets	18286	14712	3574	18286	22594	-4308
Leisure Sport & Recreation	1269	250	1019	1269	0	1269
Leisure Tourism	0	362	-362	0	0	0
Leisure Open Spaces	38871	42850	-3979	38871	34872	3999
Investment Properties	16512	18600	-2088	16512	16142	370
Administration	45605	51925	-6320	45605	36223	9382
	<b>188098</b>	<b>203841</b>	<b>-15743</b>	<b>188098</b>	<b>175819</b>	<b>12279</b>
<b>Other Operating Expenses</b> (Capital/Project items)	46830	85000	-38170	46830	5119	41711
<b>Net Profit/(Loss)</b>	<b>£105,929</b>	<b>-£4,056</b>	<b>£109,985</b>	<b>£105,929</b>	<b>£122,037</b>	<b>-£16,108</b>