



**Kettering**  
TOWN COUNCIL

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KETTERING TOWN COUNCIL

REPORT FOR DECISION

Item No:- 24/024

Committee:-	Council
Date:-	10 <sup>th</sup> July 2024
Author:-	Martin Hammond, Town Clerk
Report Title:-	Revisions to Financial Regulations
Wards Affected:-	All

**1. Purpose of Report**

To seek approval for a new version of financial regulations

**2. Recommendations**

**Council is recommended** to approve

- a) The proposed text of the financial regulations as set out in Appendix One
- b) The debt write off policy set out in para 9 of the regulations
- c) The new requirements on the details of the asset register as set out in para 14 of the regulations
- d) Changes in the quotations and tendering procedure triggers as set out in para 11 of the regulations
- e) Changes to the limits on spending under emergency powers and the use of the Council's payment card
- f) Corresponding changes to Standing Orders to reflect (d) above
- g) The appointment of a replacement member to conduct bank reconciliation with the clerk each month.

### 3. Information

3.1 This report has been generated by four elements:-

- the recommendation of the internal auditor that a debt write off policy be adopted
- the recommendation of the internal auditor that the asset register be revised to show more detail
- the issue by the National Association of Local Councils of a new set of model financial regulations, which update those this Council's existing regulations were originally based upon.
- a need to update some of the financial limits to recognise the effect inflation has had on goods and services prices since 2022.

3.2. The Council's existing set of financial regulations were agreed in March 2022. It is good practice to review them at least every three years and the four drivers above have coincided to prompt a review now. The next review is scheduled therefore for 2027.

3.3. The proposed new regulations are set out in Appendix One. The changes and additions are shown in red. The changes are

- a) Section 1 - some minor updating shown in the new model rules
- b) Section 2 - reflects changes in the rules applying to the annual governance return
- c) Section 3 - also reflects updating in the model rules including 3.6 - councillors in council tax debt
- d) Section 4 – a proposed increase in the emergency powers spending limits from £1000 to £1500
- e) Section 5 – a corresponding increase in emergency powers spending limits plus some revisions to reflect changes in reporting to Finance and Governance committee as a result of earlier audit reports.
- f) Section 6 – some minor updates plus some revisions to reflect changes in reporting to Finance and Governance committee as a result of earlier audit reports. This also expands the provisions to cover the use of a payment card, which was not in use in early 2022.
- g) Sections 7 and 8 – minor updates only
- h) Section 9 – inclusion of a bad debt write off policy. This has been agreed by the Finance and Governance Committee, for recommendation to Council.
- i) Section 10 – new paragraph 10.2 to reflect model financial regulations
- j) Section 11 -
  - i) new provisions to reflect model rules – 11.5
  - ii) new contract/tendering limits to reflect inflation – 11.3



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- The lower limit for a full tendering exercise to be increased from £25,000 increased to £30,000
- The lower limit for seeking three formal quotes to increase from £3000 to £5000
- The lower limit for informal quotes or price searching increased for £100 to £250

iii) new paragraphs to reflect the ability to submit tenders electronically

k) (No changes to sections 12-13)

l) Section 14 – increased specificity in what the asset register shall show in future – para 14.6.

m) (No changes to sections 15-16)

n) Section 17 – a number of new provisions within the model regulations for risk management and to reflect changes in the rules on annual returns

o) Appendix – changes to the payment and authorisations limits as reflected in the body of the regulations plus a request, submitted and agreed by Finance and Governance Committee, to increase the upper limit on the payment card from £250 to £400.

3.4. One consequence of para 17.5 is that a new member needs to be appointed to carry out bank reconciliations with the clerk as it cannot, under the existing and proposed financial regulations, be the chair of Finance and Governance Cttee.

#### **4. Consultation and Engagement**

None.

#### **5. Finance, Legal and Resource Implications**

These financial regulations underpin the transparency, clarity and accountability of how the council handles public money.

#### **6. Climate change implications**

None directly

#### **7. Policy Implications**

The Council's policy is to make the best use of its resources.

#### Background Papers

Report to F&G Cttee June 19<sup>th</sup> 2024  
Internal Audit report



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Public Contracts Directive 2015  
NALC Model Financial Regulations

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