

Notice of a Meeting of the Finance and General Purposes Committee

David Ashlee Town Clerk and Chief Executive

Dear Councillor,

Date: 7 January 2021

Please note that a remote meeting of the Finance and General Purposes Committee will be held on **Monday 18 January 2021 at 7.00 p.m.** using Microsoft Teams.

Members of the public and press who wish to attend the remote meeting are welcome to do so and should notify their intention to attend by emailing Ian.Reed@dunstable.gov.uk by **5 p.m. on Friday 15 January 2021**. Instructions on how to join will then be sent out in advance of the meeting

A G E N D A

1. Apologies for Absence
2. To approve the Minutes of the Meeting of Finance and General Purposes Committee held on 16 November 2020 (copy previously circulated).
3. Specific Declarations of Interest.
4. Budget Proposals for 2021/22 (**Report to follow**)
5. Financial Monitoring (see page 3)
6. Procurement Policy (see page 27)
7. Representatives on Outside Organisations - to receive reports from representatives on the following outside organisations:

CAB Management Committee – Councillor Bater

Dunstable International Town Twinning Association – Town Mayor and Councillors
Corkhill and Abbott

(Continued)

Hospice at Home Management Committee – Councillor Jones
Ashton Almshouses Charity – Councillors Corkhill and Hollick

NB: Those Members who are not members of this Committee but are representatives of organisations reporting thereto are reminded to provide a report in time for the meeting.

Yours faithfully,



David Ashlee
Town Clerk and Chief Executive

To: All Members of Finance and General Purposes Committee:
Councillors Peter Hollick (Town Mayor), Gloria Martin, (Deputy Town Mayor), Sid Abbott (Chairman), Philip Crawley (Vice-Chairman), Wendy Bater, Matthew Brennan, Mark Cant, Alan Corkhill, John Gurney, Kenson Gurney, Liz Jones, Cameron Restall, Lee Roberts and Johnson Tamara and other Members of the Council for information.

DUNSTABLE TOWN COUNCIL**FINANCE AND GENERAL PURPOSES COMMITTEE****18 JANUARY 2021****FINANCIAL MONITORING REPORT**

Purpose of Report:	<p>The purpose of this report is to:</p> <ul style="list-style-type: none"> i) provide a revenue budgetary control report for the period ending 30 November 2020 ii) provide detail of the Council's earmarked reserves as at 31 December 2020 iii) present to members the June 2020 internal audit report iv) present to members the November 2020 interim internal audit report v) provide an updated Treasury Management Policy
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1. ACTION RECOMMENDED

- 1.1 For Members to note the revenue budget position for the period from 1 April 2020 to 30 November 2020.
- 1.2 For Members to note the current balance of the Council's earmarked reserves as at 31 December 2020 and known commitments in the current financial year.
- 1.3 For Members to note the June 2020 internal audit report, which concludes that the Council *"continues to have effective systems in place that should help ensure that the detailed annual Statement of Accounts and AGAR detail are free from material misstatement."*
- 1.4 For Members to note the November 2020 interim internal audit report, which concludes that the Council *"continues to maintain an adequate and effective system of internal control."*
- 1.5 For Members to adopt the updated Treasury Management Policy, which has been updated to include a recommendation to maintain a general balance (reserve) of *"£465,000 or 25% of the salary budget, whichever is the higher to reflect current salary commitments to protect the Council from unforeseen events and to give time to respond to such events."*

2. INTRODUCTION

- 2.1 This budgetary control report summarises the net expenditure against the budget for each service area as at 30 November 2020. This forms the basis for the projected outturn at the end of this financial year taking account current known variances.

3. REVENUE BUDGETARY REPORT

- 3.1 The summary at Appendix 1 shows the net expenditure at 30 November 2020 per service area and an indication of the anticipated outturn against budget, taking account of seasonal variances and known commitments for the remainder of the financial year.

- 3.2 The summary shows a potential overall net revenue underspend at the end of the financial year of £40,560.
- 3.3 It should be noted that whilst officers have a better view on the effects of Covid-19 on the finances, there is still uncertainty as to how this will impact the year-end position. Changes in Government guidance and a significant number of external factors could impact costs as well as income. **This report does not contain an expectation of how the January 2021 lockdown will impact revenues.**
- 3.4 Within **Finance and Support Services** the overall forecast is to be £3,124 overspent. Significant variances to budget are as follows:
- *Finance and Support Services staff costs forecast to be overspent by £6,842* due a retirement payment offset by a saving in maternity costs to cover maternity leave within the team. There is also a saving from a 3-month vacancy in the team.
 - *Grove House cost centre is forecast to be overspent by £11,566* due to the offices on the ground floor being vacant due to the current circumstances surrounding the global pandemic.
 - *Corporate Management Cost centre is forecast to be underspent by £3,867.* this underspend is mainly attributed to a £2,000 forecast saving on uniforms as it is predicted not as many will be required this year; there is also a £5,000 underspend projected for un-claimable VAT offsetting £4,000 variation on budgeted insurance.
 - *Democratic Representation is forecast to underspend by £7,602* mainly due to unused Mayoral allowance, transport and hospitality during the lockdown period where Mayoral activities were limited.
- 3.5 Within **Grounds and Environmental Services** the overall forecast is to be £42,772 overspent. Significant variances to budget are as follows:
- *Grounds Staff Costs* is due to be underspent by £51,653 mainly attributable to a forecast 10-month vacancy on the Parks Development Officer position.
 - *Cemetery* is due to be overspent by £2,506 mainly due to over-achievement of income on burials offset by an increase in equipment, cleaning, waste disposal costs due to Covid-19.
 - *Recreation Grounds* Cost centre has a forecast overspend of £14,924 mainly attributed to a loss of income on external contracts and rent due to the Covid-19 pandemic.
 - *Town Centre and Gardens* also has a forecast overspend of £395 due to another potential loss of income on an external contract due to the Covid-19 pandemic
 - *Town Ranger Service* is forecast to be underspent by £8,845. This underspend is attributable to underspend on public realm maintenance due to CBC not installing electronic information signs at the town gateways therefore it has not been necessary to expend this budget this year.
 - *Creasey Park* has a forecast overspend of £107,519 due to a £35,000 loss of income on the ATP and a £133,000k loss on room hire, bar and catering sales due to circumstances surrounding the COVID-19 pandemic. However, there are offsetting savings: £53,000 not spent on bar/catering stock, £7,000 on bar/catering casual and overtime staffing budgets, and £5,000 on cleaning contracts during the COVID-19 pandemic lockdown.

- *Bennett Memorial Recreation Ground Splash Park* has a forecast underspend of £22,839 due to the lack of expenditure and commitments as a result of the closure this summer because of the Covid-19 pandemic.

3.6 Within **Community Services** overall it is forecast to be £86,455 underspent. Significant variances to budget are as follows:

- *Community Services staff cost centre* has a forecast underspend of £29,242 mainly attributable to two vacancies within the team; Community Assistant and Youth and Community Manager (both posts are now filled).
- *Older Peoples Services* has a forecast underspend of £8,384 based on a closure of services due to Covid-19 pandemic.
- *Community Engagement* has a forecast underspend of £11,321 based on all future events currently cancelled due to the Covid-19 pandemic
- *Grove Corner cost centre* is overspent by £1,876, due to a reduction in use of the building and the reduced utility and cleaning costs.
- *Events programme* is forecast to underspend this financial year by £78,654 due to the cancellation of all events this year until further notice, subject to Government guidance on large gatherings.
- *Central Marketing* is due to underspend by £3,255 due to a saving in producing no April edition of the Council magazine 'Talk of the Town'.
- *Priory House* is forecast to overspend by £56,842 due to loss of income due to the temporary closure; the overall overspend was partly offset by savings on catering costs.
- *Town Centre Management* is forecast a £5,671 underspend due to reduced events and waste during the Covid-19 lockdown period.
- *High Street Heritage Action Zone* budget is forecast to underspend by £8,396 due to a 4-month vacancy in that area. The project manager started in August.

4. **RESERVES**

- 4.1 The schedule enclosed at Appendix 2 provides detail of actual contributions to and expenditure from reserve funds in the current financial year as at 31 December 2020.
- 4.2 The schedule also includes the detail of further agreed/known commitments from earmarked reserves in this financial year and indicates an estimated end of year balance, which is of course subject to any further agreed expenditure.
- 4.3 The schedule does not take account of the recommendations for release of funds to be considered at other agenda items.

5. **FINANCIAL GOVERNANCE**

- 5.1 In place of Accounts Sub-Committee, Councillors should, as a minimum, view and audit the Councils accounts on a quarterly basis.
- 5.2 The next scheduled quarterly financial Councillor audit is due to take place on the 27 January 2021 where Councillor Abbott and Councillor Gurney will be carrying out a 'mini-audit'.
- 5.3 Further quarterly meetings have been arranged and all Councillors have been made aware and invited to attend any future Financial Governance Audit meetings they can make.

- 5.4 This report also recommends an update to the Council's Treasury Management Policy, which in turn recommends an increase to the base level of the Council's General Reserve to £465,000 which reflects better the Council's overall staffing cost liability.

6. **FINANCIAL IMPLICATIONS**

- 6.1 These are inherent within the content of this report.

7. **APPENDICES**

- 7.1 Appendix 1 – Summary of Net Revenue Expenditure
 Appendix 2 – Summary of Reserves
 Appendix 3 – Internal Audit Final June 2020
 Appendix 4 – Internal Audit Interim November 2020
 Appendix 5 – Treasury Management Policy January 2021

8. **AUTHORS**

- 8.1 David Brough – Senior Finance Manager
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Finance and Support Services

Service Area	Budget 2020/21	Actuals to Date (30th Nov)	Year-end Forecast	Year-end Variance
Staff Costs	321,437	226,719	328,279	6,842
Central Services	105,600	58,211	101,785	-3,815
Grove House	47,505	41,380	59,071	11,566
Corporate Management	91,447	78,901	87,580	-3,867
Democratic Management & Representation	15,750	3,079	8,148	-7,602
Capital & Projects (inc loan charges)	96,915	96,915	96,915	0
Grand Total	678,654	505,205	681,778	3,124

Grounds and Environmental Services

Service Area	Budget 2020/21	Actuals to Date (30th Nov)	Year-end Forecast	Year-end Variance
Staff Costs	660,850	409,404	609,197	-51,653
Allotments	-800	2,618	850	1,650
Cemetery	-71,190	-67,054	-68,684	2,506
Recreation Grounds	40,200	29,568	55,124	14,924
Town Centre and Gardens	29,100	17,842	28,705	-395
Town Ranger Service	19,200	6,525	10,355	-8,845
Capital & Projects	121,696	121,602	121,601	-95
Sub Total	799,056	520,505	757,148	-41,908
Income: Creasey Park - Football	-148,000	-127,926	-137,192	10,808
Costs: Creasey park - Football	67,532	52,436	96,353	28,821
Income: Bar & Catering	-190,000	-40,756	-56,497	133,503
Costs: Bar & Catering	305,804	162,738	240,190	-65,614
Sub Total	35,336	46,492	142,854	107,519
Bennett Memorial RG Splash Park	33,216	9,448	10,377	-22,839
Grand Total	867,608	576,445	910,379	42,772

Community Services

Service Area	Budget 2020/21	Actuals to Date (30th Nov)	Year-end Forecast	Year-end Variance
Staff Costs	187,246	96,793	158,004	-28,242
Older People's Support Service	24,074	5,969	15,690	-8,384
Community Engagement (inc Grants)	23,507	8,765	12,186	-11,321
Grove Corner	14,879	145	16,755	1,876
Events Programme	147,176	35,662	68,522	-78,654
Central Marketing	28,500	5,856	25,245	-3,255
Town Centre Services (inc Special Markets)	60,911	27,803	55,240	-5,671
Public Conveniences (Ashton Square)	3,050	1,255	2,800	-250
High Street Heritage Action Zone	24,594	16,131	16,198	-8,396
Capital & Projects	66,020	66,019	66,020	0
Sub Total	579,957	264,398	436,660	-143,297
Income: Priory house - Tea Rooms	-135,000	-29,447	-40,000	95,000
Costs: Priory house - Tea Rooms	48,000	12,603	20,557	-27,443
Income: Priory house - Shop	-13,500	-2,600	-4,000	9,500
Costs: Priory house - Shop	6,500	2,451	4,000	-2,500
Other Costs (Inc Staff)	337,104	201,005	319,389	-17,715
Sub Total	243,104	184,012	299,946	56,842
Grand Total	823,061	448,410	736,606	-86,455
DTC Grand Total	2,369,323	1,530,060	2,328,764	-40,560

	Description	Balance as at 01.04.20	Contributions Revenue/Other	Expenditure in year	Bal as at 31.12.20	Commitments/Programme of works, etc	Committed Amount	Bal after committed
310	General Reserve	£520,570			£520,570			£520,570
311	Corporate Plan Reserve	£16,342	£2,000	-£14,360	£3,982	Bal of £786.85 for GH Gdns Entrance/Car Park Improvements (from £35,000 agreed) Council Minute 85 29.06.20- Bal of £3,194.50 for Market Clock refurbishment (from £8,432 agreed)	-£3,981	£0
312	Vehicles Reserve	£54,719	£20,000	-£20,221	£54,498	FGP Minute 8 20.01.20- Bal of £10,020 for new grounds equipment (from £42,000 agreed)	-£10,020	£44,477
313	CP Sinking Fund	£14,874		-£6,995	£7,879			£7,879
314	Christmas Lights Reserve	£23,744	£3,500		£27,244	New/improved lighting		£27,244
316	Downside Building Maintenance Res	£4,523			£4,523			£4,523
317	Grove Corner Building Maint Reserve	£38,596	£4,000	-£17,031	£25,565	Bal of £2,969 for e-gaming equipment (from £10,000 agreed)	-£2,969	£22,596
318	Building Security Systems	£5,357			£5,357			£5,357
319	Cemetery Memorial Safety	£2,300	£1,000		£3,300	Memorial safety inspections		£3,300
320	Priory House Tearooms Equipment	£0	£1,500		£1,500			£1,500
321	IT/Equipment Reserve	£14,700	£15,000	-£4,904	£24,796	Bal of £14,700 for Cemetery Software (from £21,600 agreed)	-£14,700	£10,096
322	Older People's Day Care Svce	£12,545			£12,545	£3,687 for increased transport costs Bal of £237 donation for activities (from £1,000 received)	-£3,924	£8,621
323	Election Reserve	£5,517	£12,500		£18,017			£18,017
324	Grove House Building Reserve	£157,427	£29,000	-£84,789	£101,638	Bal of £877 for GH Gdns Entrance/Car Park Improvements (from £17,000 agreed) Bal of £5,500 for GH Parapet repairs (from £20,000 agreed) FGP 21.09.20-Minute 106- Bal of £876.87 for GH Heating works (from £75,000 agreed) FGP 19.01.15-Minute 24 - to be retained for transport/allowance as required	-£11,088	£90,550
326	Mayoral Reserve	£3,000			£3,000			£3,000
327	Priory House Exhibition	£15,000			£15,000	Exhibition		£15,000
328	Priory Churchyard	£29,862	£5,000		£34,862	As determined by quinquennial report Council Minute 85 29.06.20- Bal of £10,762.50 for Performance Area (from £14,000 agreed)		£34,862
329	Performance Area Reserve	£6,000	£8,772	-£3,238	£11,535	Retained for twinning activities to be determined	-£10,763	£772
330	Town Twinning Reserve	£7,867	£500		£8,367	GES Minute 67 13.03.17- 5 year tree maintenance programme		£8,367
331	Tree Reserve	£14,436	£5,000	-£8,410	£11,026		-£11,026	£0
332	Open Spaces Improvement Plan	£25,000	£15,000		£40,000	FGP Minute 8 20.01.20- Bal of £23,543 for improvement works (from £28,688 agreed) Council Minute 85 29.06.20- £15,000 agreed for Priory Gardens Pergola	-£38,543	£1,457
333	Priory House Building Reserve	£334,618	£21,778		£356,396	FGP Minute 181 18.11.19= £300,000- HSHAZ Scheme (2022/23 exp)	-£300,000	£56,396
334	Pavilion Buildings Maintenance Res	£50,435	£15,000		£65,435			£65,435
338	Allotments Reserve	£20,246	£5,000	-£1,076	£24,170	Improvement works required		£24,170
339	Creasey Park 3G Pitch	£6,695	£174		£6,869	Interest accrued on ringfenced deposit - retained for contribution towards future pitch replacement - with 381 below		£6,869
341	Splashpark/Skatepark/BMX Reserve	£35,408	£12,000		£47,408			£47,408
342	Memorial Kerbs Reserve	£6,570			£6,570	for purchase of future supplies		£6,570
343	Cemetery Building Maintenance Res	£24,413	£5,000		£29,413	FGP Minute 8 20.01.20- £23,800 agreed for Cemetery works	-£23,800	£5,613
344	Fencing Maintenance Reserve	£2,957	£1,000		£3,957	FGP Minute 8 20.01.20- £2,957 agreed for Fencing works	-£2,957	£1,000
346	NEW - HSHAZ Scheme	£98,751	£35,757	-£5,612	£128,896	4 year HSHAZ scheme programme	-£128,896	£0
	Earmarked Reserves Total	£1,552,470			£1,604,316		-£562,667	£1,041,649

S106/External Funding/Ringfenced Expenditure specified by funding body

315	Awards for All Event	£207			£207	Weird and Wonderful Event- 7 & 8 September 2019	-£207	£0
325	Shop Front Improvement Scheme	£7,153	£5,535	-£8,651	£4,036	Shop Front Scheme	-£4,036	£0
337	Market Town Regeneration Fund	£23,010		-£23,010	£0	Bal trfd to HSHAZ Scheme		£0
380	Developers Contributions- CAP	£18,065			£18,065	Frenchs Avenue S106 £13,778; Frenchs Avenue Fencing £4,286		£18,065
381	CPCFC Capital	£88,491		-£4,850	£83,641	Retained for future repair/replacement of All Weather Pitches at CPCFC (with 339 above)		£83,641
385	Development Contributions- REV	£34,316			£34,316	Bal of £140 for Priory Gardens Footpaths (from Eastgate S106 £647); £8,000 committed in 20/21 revenue budget from Bal of £22,129 for Willoughby (from S106 £47,645) Bal of £4,038 for Court Drive Landscaping (from CBC £15,000);	-£12,187	£22,129
570	Joint Committee Fund	£13,009		-£300	£12,709	Bal in holding code as committed Joint Committees fund only = not DTC	-£12,709	£0
	S106/External Funding Total	£184,251			£152,975		-£29,140	£123,835
		£1,736,722			£1,757,290		-£591,807	£1,165,484



Dunstable Town Council

Internal Audit Report 2019-20: Final update

Adrian Shepherd - Roberts

***For and on behalf of
Auditing Solutions Ltd***

Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR). Auditing Solutions Ltd has provided this service to Dunstable Town Council since 2009.

This report sets out the work undertaken in relation to the 2019-20 financial year, during our visits to the Council, which took place on 9th & 10th October 2019 and 14th & 15th January 2020. Due to the impact of the Covid-19 pandemic, we have undertaken our final review for the year remotely: we wish to thank the Head of Finance & Support Services and the Finance and Procurement Manager in assisting the process, providing all necessary additional (to that examined at our interim visits) documentation in electronic format to facilitate completion of our review for the year and sign off of the Internal Audit Certificate in the year's AGAR. We have, obviously in the circumstances, reduced the volume of transactions examined, whilst still ensuring governance and financial controls remain effective.

Internal Audit Approach

In undertaking our review for the year, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts/AGAR. We have employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in a number of key areas in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and fit for the purposes intended.

Our programme of cover has been designed to afford appropriate assurance that the Council's financial systems are robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Annual Internal Audit Report' in the Council's AGAR, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

We are pleased to conclude that, in the areas examined, the Council continues to have effective systems in place that should help ensure that the detailed annual Statement of Accounts and AGAR detail, as prepared by an external contractor, are free from material misstatement.

We ask that members consider the content of this report and acknowledge that the report has been reviewed by Council.

We have completed and signed the 'Annual Internal Audit Report' in the year's Annual Governance and Accountability Return, having concluded that, in all significant respects, the

This report has been prepared for the sole use of Dunstable Town Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

control objectives set out in that report were being achieved throughout the financial year to a standard adequate to meet the needs of the Council.

Detailed Report

Review of Accounting Arrangements & Bank Reconciliations

Our objective here is to ensure that the accounting records are being maintained accurately and currently and that no anomalous entries appear in cashbooks or financial ledgers. To that end, we have: -

- Ensured that the financial ledger remains in balance at the present date;
- Ensured that the closing balances reported in the Statement of Accounts and certified AGAR for 2018-19 have been correctly rolled forward as opening Omega balances for the current year;
- Checked to ensure that a comprehensive, meaningful and appropriate nominal coding schedule, together with cost centres remains in place;
- Checked and agreed transactions in the Council's main Current and Reserve account cashbooks to the relevant NatWest bank account statements to March 2020; and
- Checked detail on all active bank account reconciliations including the CCLA deposits as at 31st December 2019 and 31st March 2020 to ensure that no long-standing uncleared cheques or other anomalous entries exist and we can confirm that no such items have been identified.

Conclusions

We are pleased to report that no issues have been identified in this area of our review.

Review of Corporate Governance

Our objective is to ensure that the Council has robust corporate governance documentation and processes in place; that Council and Committee meetings are conducted in accordance with the adopted Standing Orders and that, as far as we are able to ascertain, no actions of a potentially unlawful nature have been or are being considered for implementation. We have: -

- Completed our review of the minutes of the Full Council and all Standing Committee meetings (with the exception of the Planning Sub Committee) to the financial year end to ensure that no issues affecting the Council's financial stability either in the short, medium or long term exist, also that no legal issues are in existence whereby the Council may either be considering or have taken decisions that might result in ultra vires expenditure being incurred; and
- Noted that the Council's Financial Regulations were reviewed in 2020 by Finance and General Purposes Committee and Standing Orders were reviewed by Full Council in December 2018.

Conclusions

We are able to report that no issues have been identified in this area.

Review of Expenditure

Our aim here is to ensure that: -

- Council resources are released in accordance with the Council's approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- An official order has been raised for all purchases and service delivery where one would be expected;
- All discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have completed our review of expenditure selecting a total sample of payments including those individually in excess of £7,500 plus a more random selection of cashbook transactions, irrespective of value, for the year to 31st December 2019 for compliance with the above criteria which totals £641,621 and equates to 39% of non-pay related payments.

Finally, in this area, we have examined the content of quarterly VAT reclaims to 31st March 2020 submitted to HMRC with no issues arising.

Conclusions

No issues warranting formal recommendation have been identified from testing completed in this area, with all appropriate criteria duly met.

Assessment and Management of Risk

Our aim here is to ensure that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition. We note that: -

- Full Council reviewed and adopted its Corporate Governance Arrangements in June 2019, including those relating to Financial Risk Control; and
- The Council's primary insurance cover continues to be provided by Zurich and we have examined the schedule for the current year (to 31st March 2020) to ensure that appropriate cover is in place. Both Employer's and Public Liability stand at £10 million, Fidelity Guarantee cover at £2.5 million with Loss of Revenue / Business Interruption cover also in place at £285,000, all of which we consider adequately meets the needs of the Council at present.

Conclusions

No matters have been identified in this area at present warranting formal comment or recommendation.

Budgetary Control and Reserves

In this area of review, we are seeking to confirm that the Council has determined its annual budget based on sound assumptions of intended spending, that sufficient funds are available to meet future spending plans and that members are kept aware of actual budgetary performance during the course of the financial year. We also seek to assess the adequacy of retained reserves, be they in respect of specific earmarked funds or the General Fund.

We have noted that consideration of the budget and precept for 2020-21 was approved in February 2020 by Full Council with the precept to be adopted at £2,396,323.

We are also pleased to note that members continue to receive regular budget monitoring reports with over/under-spends and the level of earmarked reserves the subject of regular review.

We have also examined the March 2020 budget outturn report generated by Omega, reviewing its content and identifying appropriate explanations for any significant variances existing by reference to the detailed Omega transaction reports.

Conclusion

No issues arise in this area warranting formal comment.

Review of Income

The Council continues to receive income from a wide variety of sources including the Allotments, Cemetery, Creasey Park, Specialist Markets, Priory House, Day Centre and Bank and deposit interest, etc.

In this area of our review process, we aim to ensure that all income due to the Council is identified, invoiced (where applicable) and recovered at the appropriate rate and within a reasonable time scale; also that it is banked promptly in accordance with the Council's Financial Regulations.

We have undertaken a review of the Cemetery and Priory House tea rooms at the interim update visit to ensure that the management controls and procedures are effective and that income is correctly recorded and banked in a timely manner.

We note from the Council minutes that fees have been reviewed and will be implemented from April 2020.

We have also reviewed the Sales Ledger, as at the 31st March 2020 and are pleased to report that no significant or long-standing debts are in existence of which the Council are unaware.

Conclusion

No issues arise in this area warranting formal comment.

Petty Cash Account

We are required, as part of the internal audit certification process on the Council's AGAR to consider and comment upon the controls in place over the operation of petty cash accounts at the Council. Our aim in this area is therefore to ensure that appropriate controls are in place; that expenditure incurred is adequately supported by trade invoices or till receipts; that the expenditure is appropriate for the Council's requirements; that VAT has been separately identified for periodic recovery and that cheque reimbursements from the main cashbooks are properly recorded.

Petty cash accounts are operated at several locations: at the interim visit in October we examined the procedures in place for the main petty cash account holding at Grove House, which is effectively operated on an Imprest basis with a float of £150. We have examined the relevant records comprising a hand-written daily ledger. Our test sample covered transactions for September & October 2019 and are pleased to report that all were appropriately supported by a copy invoice or till receipt.

We also verified the physical cash holding with no issues arising. We have also checked the cash float held at Creasey Park with no issues arising.

At the interim update visit we checked the tills and cash floats maintained at the Priory Tea Rooms and the Tourist Information Centre.

We have also undertaken a sample check of Fuel Card and Debit card payments and processes, examining the relevant statements and subsequent repayments by direct debit.

Conclusions

We are pleased to report that no significant issues have been identified in this area of our review.

Review of Staff Salaries

In examining the Council's payroll function, we aim to confirm that extant legislation is being appropriately observed as regards adherence to the Employee Rights Act 1998 and the requirements of HM Revenue and Customs (HMRC) legislation as regards the deduction and payment over of income tax and NI contributions, together with meeting the requirements of the local government pension scheme, as further revised from 1st April 2017 in relation to employee percentage bandings.

To meet that objective, we have examined the payroll procedures in place and the computations undertaken for the payments to staff in 2019-20 by reference to the September 2019 payroll documentation produced by the Council's bureau provider (Payroll Options Ltd

in Milton Keynes). At this interim visit we completed our review to include coverage in the following areas:

- Ensuring that the Council had applied the approved employee pay rates for the financial year;
- Checking to ensure that appropriate PAYE tax codes are being applied in 2019-20, following the government's budgetary changes effective from April 2018 and that tax is being deducted appropriately for a sample of employees;
- Ensured that PAYE, NIC and superannuation deductions have been made accurately and been paid over to HMRC in an accurate and timely manner; and
- Revised pension contribution bands have been applied correctly

Conclusions

We are pleased to record that no issues arise in this area warranting formal comment or recommendation.

Fixed Asset Registers

The Governance and Accountability Manual requires all councils to maintain a record of all assets owned. We have checked and agreed the principles used in the detail, as recorded in the Council's Asset Register, noting that it has been prepared using purchase cost values or where that value is unknown at the previous year's Return level or uplifted or decreased to reflect the acquisition or disposal of assets.

Conclusion

No issues require formal comment or recommendation.

Investments and Loans

Our objectives here are to ensure that the Council is "investing" surplus funds, be they held temporarily or on a longer term basis in appropriate banking and investment institutions, that an appropriate investment policy is in place and that the Council is obtaining the best rate of return on any such investments made and that interest earned is brought to account correctly and appropriately in the accounting records.

- As indicated in the first section of this report, we have reviewed and agreed detail of transactions on all accounts holding surplus funds for the year;
- We have examined the bank statements of the Reserve account for the year, together with the CCLA Public Sector Deposit Fund accounts; and
- We have checked and agreed the half-yearly PWLB loan instalment repayments made for 2019-20 to the PWLB third party "notification / demand" notice as part of our above expenditure review and will ensure that the balances are correctly recorded for the Annual Governance and Accountability Return.

Conclusions

We are pleased to record that no issues arise in this area.

Annual Governance and Accountability Return

This return now forms the Council's statutory Statement of Accounts subject to external audit examination and certification: our objective is to ensure the accuracy of information disclosed in the Annual Governance and Accountability Return and that it is consistent with the detail contained within the Council's financial and other supporting records.

We are pleased to note that the Council has again had a detailed Statement of Accounts, detail being presented in FRSSE format with a formal Income and Expenditure Account and Balance Sheet, together with supplementary Supporting Statements.

We have checked and agreed detail to the underlying records, using some of the DCK Accounting Solutions working papers, also considering the approach and soundness of detail disclosed in respect of year-end debtors and creditors. We have also verified the figures to ensure the accurate transfer of data to the Annual Return.

We are pleased to record that no significant issues have arisen from our final review work this year and have duly signed off the Internal Audit Report in the year's Annual Governance and Accountability Return assigning positive assurances in each relevant area.



AUDITING SOLUTIONS LTD

Dunstable Town Council

Internal Audit Report (1st Interim) 2020-21

Stephen Christopher

***For and on behalf of
Auditing Solutions Ltd***

Background

All town and parish councils are required by statute to make arrangements for an independent internal audit examination of their accounting records and system of internal control, and for the conclusions to be reported each year in the Annual Governance and Accountability Return (AGAR). Auditing Solutions Ltd have been appointed to undertake this function on behalf of Dunstable Town Council for the 2020-21 financial year.

This report sets out the results of our first interim audit in relation to 2020-21, which was undertaken in October and November 2020. Due to the impact of the Covid-19 pandemic, we undertook our audit work remotely on this occasion. We wish to thank Council staff for providing the documentation required for our review in an electronic format.

Internal Audit Approach

In carrying out our internal audit work for the year to date, we have had regard to the materiality of transactions and their susceptibility to potential mis-recording or misrepresentation in the year-end Statement of Accounts/AGAR. We have employed a combination of selective sampling techniques (where appropriate) and 100% detailed checks in a number of key areas, in order to gain sufficient assurance that the Council's financial and regulatory systems and controls are appropriate and are fit for the purposes intended.

Our audit programme is designed to afford appropriate assurance that the Council's financial systems remain robust and operate in a manner to ensure effective probity of transactions and to afford a reasonable probability of identifying any material errors or possible abuse of the Council's own and the national statutory regulatory framework. The programme is also designed to facilitate our completion of the 'Annual Internal Audit Report' in the Council's AGAR, which requires independent assurance over a number of internal control objectives.

Overall Conclusion

On the basis of the programme of work we have undertaken for the year to date, we have concluded that the Council continues to maintain an adequate and effective system of internal control. The records held in support of the accounting transactions continue to be of a high standard and provide an effective audit trail, with clear cross-referencing of all relevant documentation.

In the sections below, we have explained the objectives of each area of our audit, summarising the work undertaken and our findings. We are pleased to report that there are no matters arising that require a recommendation for further action. We ask that Members consider the content of this report.

This report has been prepared for the sole use of Dunstable Town Council. To the fullest extent permitted by law, no responsibility or liability is accepted by Auditing Solutions Ltd to any third party who purports to use or rely, for any reason whatsoever, on this report, its contents or conclusions.

Detailed Report

Accounting records and Banking arrangements

Our objective is to confirm that the accounting records are accurate and up to date, with no anomalous entries in the cashbooks or financial ledgers, and that appropriate banking arrangements are in place.

The Council continues to maintain its accounting records using the RBS Omega software, which is generally acknowledged as a market leader at this tier of local government.

NatWest Bank is used for day to day business banking services. Two accounts are in use, a Current Account and an instant access Business Reserve Account, with an automatic daily transfer between the accounts to retain a balance of £10,000 in the Current Account. In addition to the NatWest Reserve Account, all other funds that are not required for immediate use are held in two Public Sector Deposit Fund accounts with CCLA Investment Management Ltd.

In our audit work for the year to date, we have:

- Checked and agreed the opening trial balance on Omega for 2020-21 to the closing balances on the 2019-20 AGAR and detailed accounts;
- Verified that the financial ledgers remained “in balance” as at 30th September 2020;
- Confirmed that the accounting code structure remains appropriate to meet the Council’s budget reporting and control requirements;
- Checked and agreed transactions in the Omega cashbooks for the Current and Reserve accounts to the relevant NatWest bank statements for April and September 2020;
- Checked detail on all active bank account reconciliations, including the CCLA deposits, as at 30th September 2020, to confirm that there are no long-standing uncleared cheques or other anomalous entries, and
- Noted that the Council continues to ensure that its IT systems are regularly backed-up offsite.

Conclusion

On the basis of our audit work to date, we are satisfied that the controls in place in this area are adequate and are operating effectively. There are no matters arising that require a formal comment or recommendation.

Corporate Governance

Our objective is to confirm that the Council has robust corporate governance arrangements in place and that, as far as we may reasonably be expected to ascertain (as we do not attend Council or Committee meetings), all meetings are conducted in accordance with the adopted Standing Orders and no actions of a potentially unlawful nature have been, or are being, considered for implementation.

During the course of our interim audit, we have:

- Commenced our review of the minutes for 2020-21, examining those for the meetings of the Full Council and its standing committees in the year to date. We are pleased to record that we have not identified any issues that we consider may have an adverse effect, through litigation or other causes, on the Council's future financial stability;
- Confirmed that the Council has kept its governance arrangements, in particular the Standing Orders and Financial Regulations, under regular review. The Financial Regulations were reapproved at the Council meeting in December 2019 and we note that, in response to the Covid-19 pandemic, revisions to the Constitution, Standing Orders and delegation arrangements were approved by the Council at its meeting on 18th May 2020.

Conclusion

On the basis of our audit work in this area to date, we consider that the Council has adopted a sound approach to its responsibilities in relation to corporate governance. There are no matters arising that require a formal comment or recommendation.

Expenditure

Our objective is to confirm that:

- Council resources are released in accordance with approved procedures and budgets;
- Payments are supported by appropriate documentation, either in the form of an original trade invoice or other appropriate form of document confirming the payment as due and/or an acknowledgement of receipt, where no other form of invoice is available;
- Official orders have been raised for purchases, where appropriate;
- Any discounts due on goods and services supplied are identified and appropriate action taken to secure the discount;
- The correct expense codes have been applied to invoices when processed; and
- VAT has been appropriately identified and coded to the control account for periodic recovery.

We have commenced our review of the procedures in place in this area. We selected a sample of 15 non-pay related payments from the first half of the financial year for examination, to check compliance with the above criteria. Our test sample included all payments in excess of £4,500, together with a more random selection of every 80th payment as recorded in the Omega cashbook. The overall value of expenditure in our sample totalled £183,251, equating to 33% of non-pay expenditure in the first half year.

We will undertake a sample check of Fuel Card and Debit card payments and processes later in the year.

We confirmed that VAT Returns continue to be submitted quarterly in electronic format, as required by extant legislation, with the detail being reconciled to the Omega financial ledger.

We reviewed the detail of the VAT reclaim submitted for the first quarter of the year, with no issues arising.

Conclusion

We are pleased to report that there are no matters arising from our audit work in this area to date that require a formal comment or recommendation, with all of the above criteria met.

Assessment and Management of Risk

Our objective is to confirm that the Council has put in place appropriate arrangements to identify all potential areas of risk of both a financial and health and safety nature, whilst also ensuring that appropriate arrangements exist to monitor and manage those risks in order to minimise the opportunity for their coming to fruition.

There is a requirement for the Council to formally review and approve its risk management arrangements during each financial year. We confirmed that this requirement has been met, with the 'Corporate Risk Log', which provides an assessment of the Council's organisational strategic risks, being subject review and re-affirmation by the full Council at its meeting on 29th June 2020.

The Council's primary insurance cover continues to be provided by Zurich Municipal and we have reviewed the schedule for the current policy (to 31st March 2021) to confirm that an appropriate level of cover remains in place. The policy includes Employer's Liability and Public Liability of £10 million, Fidelity Guarantee cover of £2.5 million and Loss of Revenue/Business Interruption cover of £285,000, all of which appear to be adequate to meet the current needs of the Council.

We confirmed that, as part of its wider health and safety arrangements, a regular programme of reviews of the Council's playgrounds and play equipment is undertaken. This includes daily and weekly inspections by the Council's own staff, with external inspections on a quarterly and annual basis to ensure compliance with regulatory requirements. We will consider the controls in this area further at our second interim.

Conclusion

On the basis of our audit work to date, we consider that the Council has sound arrangements in place in relation to the management of risk. There are no matters arising that require a formal comment or recommendation.

Budget Setting, Budgetary Control and Reserves

Our objective is to confirm that the Council has robust procedures in place for identifying and approving its future budgetary requirements and the level of Precept to be drawn down from Central Bedfordshire Council, and that an effective reporting and monitoring process is in place. We also consider whether the Council retains appropriate funds in earmarked and general reserves to finance its ongoing spending plans, whilst retaining appropriate sums to cover any unplanned expenditure that might arise.

At our first interim visit we have focused on the information provided to the Members on progress against the 2019-20 budget. We are pleased to note that Members continue to receive regular financial monitoring reports, with over/under-spends and the level of earmarked reserves the subject of regular review. An initial financial monitoring report was presented to the Council meeting in June 2020, which provided an early assessment of the impact of Covid-19 on the budget and the reserves position. A further report was considered by the Finance and General Purposes Committee in September 2020, with a more detailed assessment of pandemic's impact.

The Council will commence consideration of the 2021-22 budgetary requirements shortly and we will consider the approach followed at our second interim.

Conclusion

On the basis of our audit work in this area to date, we consider that the budgetary control arrangements are adequate and are operating effectively. There are no matters arising that require a formal comment or recommendation. We will review the 2021-22 budget setting process during our second interim audit.

Income

The Council receives income from a wide variety of sources including the Allotments, Cemetery, Creasey Park, Specialist Markets, Priory House, Day Centre and Bank and deposit interest. As a consequence of Covid-19 and in particular the "lockdown" requirements, the income from some of these areas has been significantly lower than originally anticipated.

Our objective is to confirm that robust procedures are in place to ensure that all income due to the Council is identified and invoiced (where appropriate), with recovery effected within a reasonable time span, and also that it is banked promptly in accordance with the Financial Regulations.

In the course of our first interim audit, we considered the arrangements relating to cemetery income. We reviewed the interment applications and other cemetery related charges for one sample month (June 2020), confirming that the invoices subsequently raised were in order and that the income due was received and banked on a timely basis. There were no matters arising from our review.

We have also reviewed the Sales Ledger as at the 30th September 2020. We were pleased to note that the overall value of long-standing debts is low and we confirmed that effective control arrangements remain in place, with appropriate action being taken in relation to outstanding payments.

Conclusion

There are no matters arising from our audit work in this area to date that require a formal comment or recommendation. We will consider the controls in other income areas at our second interim audit.

Petty Cash

We are required, as part of the internal audit certification process on the Council's AGAR, to consider and comment upon the controls in place over the operation of petty cash accounts at the Council. Our objective in this area is, therefore, to ensure that appropriate controls are in place; that expenditure incurred is adequately supported by trade invoices or till receipts; that the expenditure is appropriate for the Council's requirements; that VAT has been separately identified for periodic recovery and that cheque reimbursements from the main cashbooks are properly recorded.

Petty cash accounts are operated at several locations. At this interim audit, we reviewed the procedures in place for the main petty cash account holding at Grove House, which is effectively operated on an Imprest basis with a float of £150. We examined an electronic copy of the hand-written daily ledger and the separate cashbook maintained in the Omega accounts – confirming that the latest cash reconciliation undertaken (19th October) agreed to the underlying records and that there was appropriate supporting information for petty cash payments made since that date. There were no matters arising.

We will undertake further work in relation to petty cash later in the year.

Conclusion

On the basis of the audit work we have undertaken to date, we consider that the control arrangements in this area are adequate and are operating effectively. There are no matters arising that require a formal comment or recommendation.

Staff Salaries

In examining the Council's payroll function, our objective is to confirm that extant employment legislation is being adhered to, that the requirements of HM Revenue and Customs (HMRC) legislation are satisfied regarding the deduction and payment over of income tax and NI contributions and that the requirements of the local government pension scheme are met.

To meet this objective, we have examined the payroll procedures in place and the computations undertaken for the payments to staff in 2020-21 by reference to the September 2020 payroll documentation produced by the Council's bureau provider (Payroll Options Ltd in Milton Keynes).

To meet the above objective, we have:

- Confirmed that the Council has applied the approved employee pay rates for the financial year;
- For a sample of staff, checked the detail of the salaries paid in September 2020 to the overall schedule of salaries and pay scales;
- Confirmed that tax and NI deductions have been made applying the appropriate tax code and NI Table, also ensuring that appropriate amounts are paid over to HMRC;
- Checked that the appropriate employee and employer contributions to the pension

scheme have been applied in accordance with the current arrangements and confirmed that these have been paid over to the Pension Fund Administrators on a timely basis, and

- Confirmed that the monthly net salary payments to staff agreed to the underlying records.

Our sample testing identified one instance where a member of staff had been slightly overpaid in the year to date. We subsequently confirmed that this error, which was due to the double counting of an additional allowance, had been picked up during compilation of the October payroll and that appropriate action has been taken.

Conclusion

There are no matters arising from the audit work undertaken in this area to date that require a formal comment or recommendation. At our final audit visit, we will confirm that staff related costs for the year have been reported correctly in the AGAR.

Investments and Loans

Our objective is to confirm that an appropriate investment/treasury management policy is in place, that any funds not required for immediate use, whether temporarily or on a longer-term basis are invested in line with that strategy and that interest earned is brought to account correctly and appropriately in the accounting records. We also confirm that any loan repayments due to or payable by the Council are transacted in accordance with the relevant loan agreements.

During the course of our interim audit, we confirmed that:

- As required by the 'Statutory Guidance on Local Government Investments', a Treasury Management Policy is in place and this was last updated in March 2018;
- At present, the Council does not hold any long-term investments. As noted above, surplus funds are held in either the NatWest (instant access) Reserve Account or the two CCLA Public Sector Deposit Funds;
- We have checked and agreed the half-yearly Public Works Loan Board (PWLB) loan instalment repayments made to date for 2020-21 to the PWLB third party "notification / demand" notice as part of our expenditure review.

Conclusion

There are no matters arising from our audit work in this area to date that require a formal comment or recommendation. At our final audit, we will confirm the correct disclosure of the PWLB loans in the AGAR, Section 1, Boxes 5 and 10.

DUNSTABLE TOWN COUNCIL
TREASURY MANAGEMENT POLICY AND PRACTICES

1. Dunstable Town Council defines its treasury management activities as “the management of the Council’s cash flows, its banking, money market and capital market transactions, the effective control of the risks associated with those activities, and the pursuit of optimum performance consistent with those risks”.
2. The Town Council regards the successful identification, monitoring and control of risk to be prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly the analysis and reporting of treasury management activities will focus on their risk implications for Dunstable Town Council.
3. The Town Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques within the context of effective risk management.
4. The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.
5. The Council will only enter into further long term borrowing through the Public Works Loan Board when absolutely necessary for essential major works or capital purchases.
6. A general balance is maintained to protect the Council from unforeseen events and to give time to respond to such events. The Council will work towards maintaining a general balance of **£465,000** or 25% of the salary budget, whichever is the higher.
7. The Council will aim to reduce its reliance on its use of reserves when setting future years’ budgets and work towards increasing its general reserve to a recommended minimum level as given in point 6 above.
8. The general policy for the Council is the prudent investment of its treasury balances. The Council’s investment priorities are:
 - The security of capital and
 - The liquidity of its investments
9. The Council will aim to achieve the optimum return on its investments commensurate with the proper levels of security and liquidity.
10. The Council maintains a Liquidity Select Account providing instant access to funds, with no minimum deposit or balance and no penalties for withdrawals.
11. The Council will invest purely in bank deposits. Reserves are invested through the Council’s bankers in short term deposit accounts. The period of commitment for which funds may prudently be committed is determined by the Responsible Financial Officer who shall properly assess the risk of committing funds to longer term investments.

DUNSTABLE TOWN COUNCIL

FINANCE AND GENERAL PURPOSES COMMITTEE

MONDAY 18 JANUARY 2021

PROCUREMENT POLICY

Purpose of Report: For members to agree and adopt a Procurement Policy

1. ACTION RECOMMENDED

- 1.1 For members to agree and adopt the new Procurement Policy provided at Appendix 1 to the report..

2. INTRODUCTION / BACKGROUND

- 2.1 The Council has adopted a wide range of policies covering both corporate and service specific subjects. However, the Council has not yet considered and adopted a specific procurement policy relating to its aims and objectives around the procurement of goods and services.
- 2.2 This report is recommending a procurement policy that advocates local procurement, wherever possible. It also supports the delivery of the Council's Environment and Sustainability Policy and will specifically help to deliver the Council's aim of achieving carbon neutral status by 2030.

3. MAIN CONSIDERATIONS

- 3.1 Members are asked to adopt this policy to ensure that the Town Council follows proper procedures and rules, and that there is a clear and consistent understanding of the regulations and organisation approach in relation to procurement.
- 3.2 The policy will also help the Council to ensure it obtains best value for money.
- 3.3 The policy further advocates that the Council will, wherever possible, practicable and financial viable, support the local economy by prioritising local procurement of goods and services within a five-mile radius of Dunstable. Members should note that this may not always be possible due to the local market or for specialist work requirements.
- 3.4 The procurement policy will be monitored and reviewed by this Committee periodically, or in response to changes in legislation.

4. FINANCIAL IMPLICATIONS

- 4.1 None arising directly from this report, but the procurement policy should still ensure that the Council achieves best value.

5. POLICY AND CORPORATE PLAN IMPLICATIONS

- 5.1 The adoption of the Procurement Policy accords directly with the Council's Corporate Objective of *'continuing to improve the organisational management, efficiency and environmental sustainability of the Town Council'*.

6. HEALTH AND SAFETY IMPLICATIONS

- 6.1 The policy will help ensure that suppliers and contractors comply with the Council's Health and Safety Policy and any rules specific to site operations or service requirements.

7. HUMAN RESOURCE IMPLICATIONS

- 7.1 The policy will be administered by the Finance and Procurement Manager.

8. LEGAL IMPLICATIONS

- 8.1 This policy will enable the Council to comply with legal obligations that govern the spending of public money such as the Public Contracts Regulations 2015.

9. ENVIRONMENTAL POLICY IMPLICATIONS

- 9.1 This policy accords with the Council's Environmental and Sustainability Policy.

10. EQUALITIES IMPLICATIONS

- 10.1 All procurement will be in accordance with the Council's Equality Policy and in line with our legal obligations under the Equality's Act 2010.

11. APPENDICES

- 11.1 Appendix 1 – Procurement Policy

12. AUTHORS

- 12.1 Lisa Scheder – Finance and Procurement Manager
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DUNSTABLE TOWN COUNCIL

PROCUREMENT POLICY

1. Background to Procurement Policy

Procurement is a complex function guided by numerous policies and statutes. A comprehensive Procurement Policy is critical to ensuring that all stakeholders involved in procurement follow the proper procedures and rules, and that there is a clear and consistent understanding of the regulations and organisational approach in relation to procurement.

This policy will be monitored and reviewed by the Council's Finance and General Purposes Committee periodically, or in response to changes in legislation.

2. Purpose

Dunstable Town Council's (The "Council") Procurement Policy has five main purposes:

1. To obtain best value in the way the Council spends money, so that it may in turn offer better and more cost-effective services to the public.
2. To support the ability of the Council's officers to procure and manage goods, services and suppliers effectively, including informing all Council staff of the appropriate procedures and responsibilities.
3. To enable the Council to comply with legal obligations that govern the spending of public money such as the Public Contracts Regulations 2015.
4. To support the delivery of the Council's Environment and Sustainability Policy and specifically support the Council's aim of achieving carbon neutral status by 2030.
5. Wherever possible, practicable and financially viable, support the local economy by prioritising local procurement of goods and services within a five-mile radius of Dunstable.

3. Scope

Every individual involved in procurement and contract management processes within the Council falls within the scope of this policy.

The Town Clerk and Chief Executive and Heads of Service will be responsible for ensuring that their staff comply with this policy. The Finance and Procurement Manager will co-ordinate all procurement practices helping to ensure compliance with this policy as well as being responsible for providing all associated advice.

The policy governs the method by which the Council spends money on goods and services which the Council needs to deliver its services. It does not apply to internal purchases or service provision, and only applies to external purchases from outside the Council.

4. Related policies

Every contract made by or on behalf of the Council shall comply with:

- This policy
- The Council's Financial Regulations, in particular Chapter 10 "Orders for work, goods and services" and Chapter 11 "Contracts"
- The Council's Environment & Sustainability Policy
- All relevant statutory provisions including in particular the Local Government Act 1988 Part II, Local Government Act 1999, Local Government Act 2000, the Public Contracts Regulations 2015 and the Local Government (Contracts) Act 1997

5. Procurement principles

When procuring goods and services, the Council, where possible, will aim to meet the following principles:

- a) The Council shall only enter into a contract with a supplier if it is satisfied as to the supplier's suitability, eligibility, financial standing and technical capacity to undertake the contract by carrying out appropriate due diligence.
- b) The Council recognises the benefits to the economy of using local businesses and will seek out local contractors and suppliers wherever possible, practicable and financially viable.
- c) All contractors and suppliers working on Council sites will be required to comply with the Council's Health & Safety policy and any rules specific to the site of operation, for example Cemetery Regulations. Provision of suitable risk assessments and safe working method statements will be a condition of all such contracts.
- d) The Council requires all contractors working on Council sites and projects to maintain adequate insurance, including but not limited to Public Liability insurance for £10 million.
- e) All procurement will be in accordance with the Council's Equality Policy and in line with our legal obligations under the Equalities Act 2010 which makes it generally unlawful to discriminate on the grounds of colour, race, nationality, ethnic or national origins, sex or marital status, disability and on the grounds of age.

- f) The Council recognises the importance of sustainability and will take into account the environmental, social and economic impacts of its purchasing decisions, in line with the Environment & Sustainability Policy. The Council will encourage the purchase of locally sourced products and, where possible, ensure that products and materials originate from sustainable sources and accredited sustainable companies. In order to:
- Minimise waste and maximise efficiency
 - Minimise travel
 - Minimise energy consumption
 - Promote greater use of new sustainable technologies
 - Keep material consumption to a minimum.

- g) The Council will, wherever possible, purchase goods that meet international Fairtrade standards (or similar).

6. Register of approved contractors

The Council needs to have access to pre-approved contractors to supply routine services or who can be called on to provide emergency services, including but not limited to:

- Electricians, general builders, glaziers, grass and hedge cutting contractors, grave diggers, groundworkers, locksmiths, memorial masons, plant hirers, play equipment repairers, plumbing and heating engineers, tree surgeons, vehicle and machinery service engineers

Contractors wishing to be included on the Council's register of approved contractors will be required to complete a registration form (See Appendix A). The register of approved contractors will be periodically reviewed.

7. Thresholds and procedures for procurement

The table below sets out the actions to be followed when the Council intends to enter into a contract for minor, medium, and major spend commitments for the supply of goods or materials or for the execution of works or specialist services. Reference is to be made to the Council's Financial Regulations for the full procedure and list of exceptions.

Expenditure value	Action
Minor spend commitments For expenditure of £5,000 or less in value	Town Clerk and Chief Executive or the duly authorised Head of Service shall have executive power
Medium spend commitments Expenditure exceeding £5,000 but less than £40,000	Quotations from at least three firms shall be invited

Major spend commitments For expenditure exceeding £40,000	A minimum of four tenders shall be invited
Additional requirements: Public supply contract, public service contract or public works contract as defined by The Public Contracts Regulations 2015 ("the Regulations") which is valued at £25,000 or more	The Council shall comply with the relevant requirements of the Regulations. The Regulations require councils to use the Contracts Finder website to advertise contract opportunities, set out the procedures to be followed in awarding new contracts and to publicise the award of new contracts
Public supply contract, public service contract or public works contract which exceed thresholds, the Regulations set by the Public Contracts Directive 2014/24EU which may change from time to time. (Footnote 2 Thresholds currently applicable are: a) For public supply and public service contracts 209,000 Euros (£164,176) b) For public works contracts 5,225,000 Euros (£4,104,394)	The full requirements of the Regulations, as applicable, shall be followed in respect of the tendering and award

Appendix A: Application form

Application form for contractors wishing to be included on the Council's register of approved contractors:

Business Name	
Business Address	
Contact Name	
Contact telephone number & email	
Type of business	
Description of services	
Membership of professional bodies/accreditations/qualifications	
I understand that the Council requires me to hold Public Liability Insurance of £10m or greater	Yes/No
I am aware that I am required to comply with the Council's Health & Safety policy	Yes/No
I am aware that I am required to comply with the Council's Environment and Sustainability policy and have supplied a company Environment Policy / Statement	Yes/No
I am aware that I may be required to provide suitable risk assessments and/or method statements	Yes/No