

Notice of The Charter Trustees for Poole

Date: Wednesday, 27 January 2021 at 5.00 pm

Venue: Virtual Meeting



Membership:

Mayor:

Cllr M Le Poidevin

Deputy Mayor:

Cllr B Dion

Sheriff:

Cllr J Bagwell

Cllr M Andrews
Cllr S Baron
Cllr J Beesley
Cllr P Broadhead
Cllr M F Brooke
Cllr D Brown
Cllr R Burton
Cllr D Butler
Cllr D Butt
Cllr J J Butt
Cllr M Earl

Cllr L-J Evans
Cllr N Greene
Cllr A Hadley
Cllr M Haines
Cllr M Howell
Cllr M Iyengar
Cllr T Johnson
Cllr R Maidment
Cllr C Matthews
Cllr D Mellor
Cllr P Miles

Cllr S Moore
Cllr T O'Neill
Cllr K Rampton
Cllr Dr F Rice
Cllr M Robson
Cllr V Slade
Cllr A M Stribley
Cllr T Trent
Cllr M White

All Members of The Charter Trustees for Poole are summoned to attend this meeting to consider the items of business set out on the agenda below.

The press and public are welcome to view the live stream of this meeting at the following link:

<https://democracy.bcpccouncil.gov.uk/ieListDocuments.aspx?MId=4575>

If you would like any further information on the items to be considered at the meeting please contact: Democratic Services by email at democratic.services@bcpccouncil.gov.uk

Press enquiries should be directed to the Press Office at press.office@bcpccouncil.gov.uk

This notice and all the papers mentioned within it are available at democracy.bcpccouncil.gov.uk

GRAHAM FARRANT
HONORARY CLERK TO THE CHARTER TRUSTEES

19 January 2021



Available online and
on the Mod.gov app



Maintaining and promoting high standards of conduct

Declaring interests at meetings

Familiarise yourself with the Councillor Code of Conduct which can be found in Part 6 of the Council's Constitution.

Before the meeting, read the agenda and reports to see if the matters to be discussed at the meeting concern your interests



What are the principles of bias and pre-determination and how do they affect my participation in the meeting?

Bias and predetermination are common law concepts. If they affect you, your participation in the meeting may call into question the decision arrived at on the item.

Bias Test

In all the circumstances, would it lead a fair minded and informed observer to conclude that there was a real possibility or a real danger that the decision maker was biased?

Predetermination Test

At the time of making the decision, did the decision maker have a closed mind?

If a councillor appears to be biased or to have predetermined their decision, they must NOT participate in the meeting.

For more information or advice please contact the Monitoring Officer
(susan.zeiss@bcpcouncil.gov.uk)

Selflessness

Councillors should act solely in terms of the public interest

Integrity

Councillors must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships

Objectivity

Councillors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias

Accountability

Councillors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this

Openness

Councillors should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing

Honesty & Integrity

Councillors should act with honesty and integrity and should not place themselves in situations where their honesty and integrity may be questioned

Leadership

Councillors should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs

AGENDA

Items to be considered while the meeting is open to the public

- | | |
|---|---------|
| 1. Apologies
To receive any apologies for absence from Charter Trustees. | |
| 2. Declarations of Interest
Charter Trustees are requested to declare any interests on items included in this agenda. Please refer to the workflow on the preceding page for guidance. Declarations received will be reported at the meeting. | |
| 3. Confirmation of Minutes and Matters arising
To receive the minutes of the meeting held on 28 October 2020 and to consider any matters arising. | 5 - 10 |
| 4. Charter Mayor's Report
The Charter Mayor will report on her activities. | |
| 5. Budget and Precept 2021/22
The Charter Trustees are required to set their 2021/22 budget, council tax requirement and resultant precept for submission to BCP Council by 31 January 2021.

This report also updates the Charter Trustees on the conclusion of the external audit of the 2019/20 Annual Governance and Accountability Return. | 11 - 20 |
| 6. Mayor's Award
The Charter Trustees will be updated on the progression of the proposed Awards and asked to formally approve the expenditure for the purchase of the lapel badges. | |
| 7. Financial Regulations
Since their establishment on 1 April 2019 the Charter Trustees have used the BCP Council financial regulations and accounting systems.

This report asks the Charter Trustees to approve their own set of financial regulations and to note changes being made to financial processes and procedures that recognise that the Charter Trustees as a separate legal entity to BCP Council. | 21 - 48 |
| 8. Risk Register
The Charter Trustees will be updated on the development of the Risk Register. | 49 - 54 |

9. Poole Civic Centre - Civic Space

The Charter Trustees will be asked to approve the establishment of a workshop comprising of Charter Trustees to consider options and provide feedback to the project team on requirements in respect of the above.

BOURNEMOUTH, CHRISTCHURCH AND POOLE COUNCIL
THE CHARTER TRUSTEES FOR POOLE

Minutes of the Meeting held on 28 October 2020 at 5.00 pm

Present:-

Cllr M Le Poidevin – Mayor

Cllr B Dion – Deputy Mayor

Present: Cllr M Andrews, Cllr P Broadhead, Cllr D Brown, Cllr R Burton,
Cllr D Butler, Cllr D Butt, Cllr M Earl, Cllr N Greene, Cllr A Hadley,
Cllr M Haines, Cllr M Howell, Cllr M Iyengar, Cllr D Mellor,
Cllr S Moore, Cllr T O'Neill, Cllr K Rampton, Cllr A M Stribley,
Cllr T Trent and Cllr M White

22. Apologies

Apologies were received from Councillors J Bagwell, S Baron, J Beesley, J Butt and L-J Evans.

Apologies were received after the start of the meeting from Councillors M Brooke and F Rice.

23. Declarations of Interest

There were no declarations received for this meeting.

24. Confirmation of Minutes and Matters Arising

The minutes of the meeting held on 26 August 2020 were confirmed as a correct record.

There were no matters arising from the above meeting.

25. Charter Mayor's Report

The Mayor reported on her activities since the last meeting of the Charter Trustees meeting on 26 August 2020 and made the following statement.

"I'm pleased to be able to report that as a result of the application I signed at a previous meeting we have received confirmation of the Royal Warrant granting the transfer of the Poole Coat of Arms to the Charter Trustees, meaning we can use it in any lawful way we deem appropriate.

I also want to share with you the card sent to me by the Lord Lieutenant, thanking the people of Dorset for their contributions during this pandemic.

At the end of my report in August I mentioned that I had been invited to Poole Hospital to plant a tree to remember all those affected by Covid. The tree chosen was an apple tree with fruit already on it in early September. It was chosen so that the Spring blossom and fruit would be a sign of hope and encouragement. The tree is in the garden by the roundabout at the bottom of Churchfield Road and is clearly visible from the road.

Other duties have been limited in number and scope: 2 welcomes to new

clergy in Poole: one by Zoom to the new Deacon at the Spire and one in writing to welcome the new incumbent at St. Peter's in Lower Parkstone.

That changed this weekend when on Saturday morning I had a date in Poole Park with a pink rabbit: actually, a member of the Lions who was doing a sponsored cycle ride to Shaftesbury in aid of Breast Cancer- hence the pink costume.

If you've been to Canford Heath, this week you'll have seen the poppies fixed to lamp posts on the main roads. Volunteers from ARCH made them all and they have been sponsored by local businesses and families in memory of specific individuals or as a tribute to all who have served in the forces. They have raised several hundred pounds for the British Legion. On Monday I was privileged to be given a conducted tour of other of ARCH's activities by Councillor Sandra Moore and members of the association. These included a group who tend the gardens in Adastral Square and outside the Library and the person who devised and set up a Pilot trail based on those who gave their names to roads on the Heath.

Yesterday evening I attended (virtually) the AGM of the Poole-Cherbourg Twinning Association. For the last year I have been trying to clarify the position of Charter Trustees in relation to Twinning. I was originally told that it was a BCP function: as you imagine I was not satisfied with that and did some googling. I found that other Charter Trustees (eg Bath) are responsible for their twinning groups. When I raised the issue, officers told me they had done the same research. It turns out the information from Civil servants was wrong: any new twinning will be under BCP Council, but the existing ones stay with the towns that set them up. The Twinning Association are very keen to be linked with us and to give us an annual report on activities, so I will be taking that forward with their Chair Councillor Mohan Iyengar.

Remembrance this year will be very much scaled back. There will be a limited wreath-laying ceremony at the War Memorial in Poole Park at some point on the 8 November. However, the suggestion is that we remember while on our doorsteps, so on 11 November I will probably be on the 'official' doorstep at Poole Civic Centre at 11am. While I can't invite you to join me in person, I hope you will join me in spirit on your own doorsteps."

26. Budget Update Report

The Responsible Financial Officer (RFO) presented a report which provided an update on the budget, a copy of which had been circulated to each Member and a copy of which appears as Appendix 'A' to these Minutes in the Minute Book.

The Charter Trustees were advised that the report covered three areas the first of which looked into the financial outturn for 2019/20. The RFO reported that at the August meeting of the Charter Trustees the high-level accounting statements had been approved and it was agreed that the detail of the statements would be submitted to this meeting. He explained that Appendix A to the report detailed the outturn position for last year against the approved budget which identified a contribution to reserves of over £37K and explained that there were significant savings in the civic budget

and civic events budget. The RFO reported that the second part of the report looked at the 2021 budget highlighting that there was significant underspend due to the Covid-19 restrictions and if this continued it was expected that an additional £52K contribution would be made into reserves with closing reserves of just over £90k 72% of the annual precept. Officers recommended that arrangements be made for a budget workshop for the Charter Trustees towards the end of November in preparation for the budget for next year to take account of aspirations for Council tax, understanding the tax base, recharges and the use of reserves.

Councillor Butler sought clarification on the budget costs for accountancy services. The RFO explained that the budget was the same for both years and accountancy recharges were likely to be £1k as internal audit had not been included therefore there would be £500 for accountancy and £500 for internal audit) The RFO reported that the reduction of £100 assumed less VAT as from 4 November 2020 the Charter Trustees would be able to reclaim VAT on it supplies and services.

RESOLVED that:-

- (a) The Charter Trustees note the budget outturn position for 2019/20; and**
- (b) The Charter Trustees note the in-year budget position for 2020/21.**

Voting on (a) and (b) – Agreed

Councillor Tony Trent abstained from the above decision as he had not heard the full presentation.

The Charter Trustees considered the nominations for the budget workshop. It was suggested that the Mayor, Sheriff, Sheriff Elect, budget signatories plus 3 other Trustees form the budget workshop. Charter Trustees were asked to contact the Deputy Head of Democratic Services to submit expressions of interest. Councillor Broadhead highlighted the opportunity for the Bournemouth and Poole workshops to co-operate with each other. The RFO reported that separate workshops would be sensible whilst asking similar questions there would be technical slides that portray the position of each Charter Trustee.

The Honorary Clerk reported on an issue raised by Councillor J Butt on the scales of reserves and suggested that a review would be accommodated as part of the budget workshop.

RESOLVED that:-

The Charter Trustees support in principle the above arrangements to form a budget workshop in November to discuss the draft budget for 2021/22 taking account of the above comments.

Voting – Agreed

27. VAT Update Report

The Responsible Financial Officer (RFO) presented a report which updated on the VAT position, a copy of which had been circulated to each Member

and a copy of which appears as Appendix 'B' to these Minutes in the Minute Book.

The RFO reported that this report updated Charter Trustees on the process taken by Officers to make an application for the Charter Trustees to be registered under Section 33 of the VAT Act. He explained that if there were no delays to the statutory instrument, then the Charter Trustees would be able to reclaim VAT from 4 November 2020 but would not be able to reclaim VAT retrospectively.

The RFO reported that the HMRC had let officers know from 4 November 2020 onwards that the Charter Trustees can claim VAT but not retrospectively. He explained the report set out the process for registering and claiming VAT which depended on the legislation used to establish the Charter Trustees. Charter Trustees were advised that there were complexities which had been shown in the dealings with the HMRC in referring issues to their policy team. The RFO reported that the Charter Trustees had been set up alongside BCP Council and the priority was on a safe and legal landing. The RFO reported that the initial assumption had been that the Charter Trustees in the first year would be able to reclaim VAT under the BCP Council banner and the reason was due to the complex precept setting rules that applied to the Charter Trustees in that first year. He explained that BCP Council anticipated the amount the Charter Trustees needed to run its budget, but that amount scored against the BCP Council's Council Tax requirement and referendum limits so in terms of Council Tax legislation appeared to be part of the Council's funding. As officers went through the process with HMRC it became apparent that this was not the case and the Charter Trustees needed to be registered under section 33 of the relevant legislation in its own right.

The Mayor indicated that she was disappointed that the Charter Trustees could not reclaim the VAT but now was not appropriate to keep revisiting this issue. Councillor Iyengar asked if this was a one-off and were there lessons to be learnt. The RFO reported that there was an element of both as LGR was a learning curve in itself but Charter Trustees were now registered, and he was not sure if this exact circumstance would occur again.

RESOLVED that the Charter Trustees note the content of the report.

Voting: Agreed

28. Update on the development of the draft risk register

The Charter Trustees were updated on the development of the draft risk register.

Councillor Andrews reported on the work in progress by the Working Group and that it was proposed to bring back to a formal meeting of the Charter Trustees for adoption.

RESOLVED that the Charter Trustees note the update on this issue.

Voting – Agreed

29. Accommodation for the Charter Trustees

Graham Farrant in his role as Chief Executive of BCP Council reported on the decision taken to focus the Council's activities at the Bournemouth Civic Hub explaining that the Poole Civic Centre would become surplus to requirements at some point. He reported that there were a number of options including maintaining a mayoral facility in the Civic Centre. The Chief Executive reported that part of the Civic Centre was listed, and he would undertake to update the Charter Trustees if at any point it was not possible to maintain a mayoral facility, but he was optimistic that accommodation would be identified at the Civic Centre for the Charter Trustees and the Mayor.

The Mayor highlighted the importance of the heritage assets, that they were maintained in their expanded use and hoped that the optimism to retain elements of the building proved justified.

Charter Trustees raised questions and comments including:

- asking if the offices at the Poole Civic Centre would be available for Councillors to use and if there was space available for the civic regalia. Graham Farrant indicated that we would need to see how the project developed.
- being pleased to hear civic requirements were part of the proposed plans and emphasised the need to maintain the central part of the building in public ownership and protect the frontage of the civic centre.
- the Leader of the Council agreeing that the central part of the building be maintained and referred to a forthcoming paper coming to Cabinet on the establishment of a Civic Working Group for the Bournemouth site and suggested that this should include the civic needs in Poole. He also reported on his commitment to retain the mayoral process and heritage at that site.
- referring to the transfer of facilities in the Poole Library Service. The Mayor indicated that the Charter Trustees had no influence on that service. The Charter Trustee suggested that there was some influence on where the Charter Trustees met.
- A Portfolio Holder reporting that he had met with the Library staff who were supportive of the direction for the Library service which he highlighted would not be compromised and reported that he would champion the library service and highlighted that it needed to be monitored carefully throughout the transition.
- upholding the history, traditions and heritage of Poole and that Charter Trustees and the public should be involved in the future use of the civic centre.
- suggesting that the most obvious place was to hold meetings at the Guildhall albeit on a temporary basis. The Mayor reported that the intention was to continue to meet in the old Council Chamber.

The Mayor in conclusion explained that the heritage part of the building was listed, and it was hoped that it can be used as it was now and at this stage it was unnecessary to look at alternatives.

RESOLVED that the Charter Trustees note the update on this issue.

Voting – Agreed

30. Role and responsibilities of the Budget Signatories

The Deputy Head of Democratic Services reported on the roles and responsibilities framework which had been prepared for the budget signatories following the recommendation set out in the Internal Audit report agreed by the Charter Trustees at its last meeting. Charter Trustees were asked to consider the document and make any amendments.

Councillor Andrews referred to the title of the role and the Mayor suggested that maybe authoriser would be more appropriate. Councillor Trent referred to the signing of cheques for the budget signatories. The RFO reported that the Charter Trustees used the financial systems of BCP Council and outlined the mechanism for raising orders and authorisation in accordance with the approved budget. Charter Trustees were advised that going forward they may want to have their own bank account and that such issues would be included in any bespoke Financial Regulations.

RESOLVED that the roles and responsibilities as circulated be agreed.

Voting – Agreed

The meeting ended at 6.00 pm

MAYOR

THE CHARTER TRUSTEES FOR POOLE



Report subject	Budget and Precept 2021/22
Meeting date	27 January 2021
Status	Public Report
Executive summary	<p>The Charter Trustees are required to set their 2021/22 budget, council tax requirement and resultant precept for submission to BCP Council by 31 January 2021.</p> <p>This report also updates the Charter Trustees on the conclusion of the external audit of the 2019/20 Annual Governance and Accountability Return.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> (a) The draft budget for 2021/22 as set out in Appendix A be approved; (b) The council tax requirement and precept of £121,920 be approved; (c) The Charter Trustees form a working party to identify how best to utilise reserves in excess of the recommended prudent level; (d) The Charter Trustees note the conclusion of the external audit of the 2019/20 Annual Governance and Accountability Return.
Reason for recommendations	To set the budget, council tax requirement and precept for 2021/22.

Honorary Clerk	Graham Farrant
Report Authors	Dan Povey, Responsible Financial Officer
Wards	Council-wide
Classification	For Decision

Background

1. The budget for 2021/22 and resulting council tax requirement and precept must be agreed by a formal meeting of the Charter Trustees. In order for BCP Council, the billing authority, to produce the requisite calculations required for council tax billing under the Local Government Finance Act 1992, the precept must be agreed by 31 January 2021.

Budget 2020/21

2. It was reported at the meeting of 28 October that the 2020/21 budget would be significantly underspent due to the effect of covid-19 and the associated restrictions on activity during the year. The current projection is that underspends across civic budgets will result in an in-year contribution to reserves of £50,929 compared to the budgeted contribution of £19,272.
3. Any in-year position would be added to the reserves carried forward from 2019/20 of £37,658.

Budget 2021/22

4. The proposed budget for 2021/22 is detailed in Appendix A and results in a council tax requirement and precept of £121,920.
5. At their meeting of 28 October 2020 the Charter Trustees agreed to nominate members to form a budget workshop in order to provide guidance to officers in drafting the 2021/22 budget and so facilitate the budget setting process at today's meeting.
6. The budget workshop was held on 3 December 2020 and as a result of the discussions and guidance received at the workshop, the draft 2021/22 budget has been drawn up as follows:

Review of individual budgets

7. In the main, individual budget lines have been maintained at 2020/21 levels in order to ensure that the base budget is fit for purpose once activity returns to normal after the pandemic.
8. As a result of the budget workshop a twinning budget of £1,500 has been included for 2021/22.
9. The budgets for stationery and postage have been reviewed and reduced to reflect actual activity.

10. The premises budget has been reviewed and reduced to reflect lower accommodation costs. This budget will be kept under consideration as the BCP Council accommodation project progresses.
11. A £100 budget for investment income has been included, based on a forecast of the average interest rate that BCP Council achieves for its investments and applied to the average level of reserves the Charter Trustees will hold for 2021/22.
12. As part of the budget setting process the level of salary and employee recharges that the Charter Trustees receive from BCP Council has been reviewed and updated where necessary. They were discussed in detail at the budget workshop which confirmed the proposed charges looked reasonable.
13. The main change to the recharges that the Charter Trustees receive are for accountancy which will increase from £500 to £3,400 to better reflect the level of support offered by the finance team in relation to budget setting, monitoring, annual accounts, VAT and bank reconciliation. The calculation of the accountancy recharge is detailed in Appendix B.
14. A recharge of £1,250 has also been included for internal audit's review of the Annual Governance and Accountability return. This is offset by a reduction to the external audit budget.
15. Salary budgets have also been reviewed in order to better reflect the support given to the Charter Trustees from the democratic services team, and now includes time allocations from the Head and Deputy Head of Democratic Services. Time allocations for the Mayor's personal assistants and macebearers are based on the team spending 80% of their time supporting the Bournemouth and Poole Charter Trustees, of which 40% of this is allocated to the Charter Trustees for Poole. The recharge has increased from £46,900 to £59,400 and the calculation is detailed in Appendix B.

Reserves

16. The table below summarises the projected reserves position for the Charter Trustees for Poole as at 31 March 2021, and the recommended utilisation of reserves to fund items of one-off expenditure.

Figure 1: Projected Reserves

	Forecast 2020/21 £	Recommendation 2021/22 £
Opening Balance 1 April	37,658	88,587
Contribution to Reserves	50,929	1,420
Utilisation to Fund One-off Expenditure	0	(37,658)
Closing Balance 31 March	88,587	52,349
Percentage of Proposed Precept 2021/22	73%	43%

17. The projected level of reserves as at 31 March 2021, taking into account the in-year underspend due to covid-19, is £88,587. This represents 73% of the proposed precept for next year. The RFO would recommend a level to be held in reserves of 20% in order to provide for unforeseen expenditure.

18. There is an opportunity therefore to use the £37,658 of reserves as at 1 April 2020 that are already at the disposal of the Charter Trustees to fund items of one off expenditure. The budget workshop considered spend on civic regalia, VE and VJ Day commemorations or updating the list of former Mayors in the Council Chamber as possible areas for the use of reserves.
19. It is recommended that the Charter Trustees form a working party to decide how best to utilise reserves in excess of the recommended prudent level.
20. Once the 2020/21 financial year is closed it is likely that the Charter Trustees will have reserves representing approximately 43% of the annual precept and so there are likely to be further monies available to fund one-off items of expenditure.
21. Due to the level of reserves held by the Charter Trustees, it is also proposed that the budgeted contribution to reserves of £19,272 is reduced to £1,420 for 2021/22 in order to mitigate the salaries and recharges budget growth. The modest contribution to reserves will enable the Band D charge to residents to be maintained at 2020/21 levels as per paragraph 27.
22. The reduction of the base budget reserve contribution would be for one financial year, with the level of reserves being monitored and potentially an additional contribution to reserves being reinstated as part of the 2022/23 budget process. This strategy was endorsed in the budget workshop, and if approved would result in forecast reserves of £52,349 as at 31 March 2022, or 43% of the precept.

Tax Base 2021/22

23. The council tax requirement, or precept, that funds the budget is apportioned across the tax base to arrive at a charge per property. The tax base is the number of chargeable properties in the Charter Trustee area converted into Band D equivalents.
24. Usually the expectation would be that the tax base increases year-on-year as new homes are built. However the tax base has reduced from 58,609.0 in the current year to 56,971.9 in 2021/22. This reduction is due to the effects of the pandemic which have increased the costs of local council tax support and affected collection rates.
25. The reduction in the tax base of 1,637.1 Band D equivalent properties, or 2.8% of the tax base, has the effect of increasing the charge made to residents in the Charter Trustee area because there are fewer properties over which to spread the precept. It is hoped that the effect will reverse in future years as the economy recovers and as more homes are built.
26. The assumed one-off nature of the tax base decrease reinforces the strategy of reducing the budgeted contribution to reserves in 2021/22 to mitigate growth in the Band D charge.

Council tax requirement and precept 2021/22

27. If the draft budget as set out in Appendix A is approved, it would result in the following precept and Band D charge.

	2020/21	2021/22	Increase £	Increase %
Precept £	125,222	121,920	(3,302)	(2.6)%
Tax Base	58,609.0	56,971.9		
Band D Charge £	2.14	2.14	0	0%

28. The proposed budget would result in no council tax increase for a Band D property.
29. It should be noted that the Charter Trustees are not subject to council tax referendum principles for 2021/22.

Conclusion of audit: Annual Governance and Accountability Return 2019/20

30. The external auditor has completed their review of the 2019/20 Annual Governance and Accountability Return and confirmed that in their opinion:
- “the information in Sections 1 and 2 of the AGAR is in accordance with proper practices and no other matters have come to our attention giving cause for concern that relevant legislation and regulatory requirements have not been met”.*
31. The auditors did refer to the non-compliance with respect to risk management as reported in the AGAR and internal audit report, but that adequate explanation has been given and actions are being taken to address the weaknesses. The auditors also referred to the other weaknesses reported to the Charter Trustees in August as part of the internal audit report relating to VAT, risk assessment, salaries and assets, all of which are subject to the action plan as reported to the August meeting.
32. A Notice of Conclusion of Audit and the certified Annual Governance and Accountability Return have been published on the Charter Trustee’s website in accordance with the requirements of the Accounts and Audit Regulations 2015.

Summary of financial implications

33. As detailed in the report.

Summary of legal implications

34. The Charter Trustees must set their council tax requirement in accordance with the Local Government Finance Act 1992 and subsequent legislation.

Summary of human resources implications

35. None.

Summary of sustainability impact

36. None.

Summary of public health implications

37. None.

Summary of equality implications

38. None.

Summary of risk assessment

39. None.

Background papers

None.

Appendices

Appendix A – Charter Trustees of Poole Proposed Budget 2021/22

Appendix B – Salary and Recharge Review 2021/22

Poole Charter Trustee - Proposed Budget 2021/22

2020/21 Budget	2020/21 Actuals	Description of expenditure and income	2021/22 Budget
Expenditure			
Civic Budget			
12,000	500	Hospitality	12,000
3,000	0	Civic Regalia	3,000
100	0	Travel and Subsistence	100
1,000	0	Training and Conferences	1,000
3,000	0	Out of Pocket Expenses	3,000
500	0	Photography	500
1,000	0	Flowers	1,000
Civic Events			
1,500	1,000	Mayor Making	1,500
4,500	0	Remembrance	4,500
2,000	0	Civic Service	2,000
1,500	0	Civic Awards	1,500
1,500	0	War Commemoration	1,500
500	0	Special Anniversarial Events	500
500	0	Other Events Contingency	500
0	0	Twinning Budget	1,500
Premises			
17,450	17,383	Room & Premises	15,450
Staffing Recharges			
46,900	50,600	Salaries, NI and Pensions	59,400
Administration and Running Costs			
400	0	Postages	200
50	100	Printing & Photocopying	50
500	0	Stationery	300
250	0	Subscriptions - Organisations	250
Supplies and Services			
500	0	Clothing & Uniforms	500
600	660	Insurance	600
2,000	400	External Audit	400
0	1,250	Internal Audit	1,250
500	1,100	Accountancy	3,400
1,000	1,100	ICT Provision	1,500
500	0	Telephony	500
200	0	Laundry	200
Transport			
1,250	100	Fuel	1,250
750	100	Vehicle Hire - General Use	750
500	0	Vehicle Maintenance & Repairs - Workshop	500
105,950	74,293	Total Expenditure	120,600

Income & Reserves			
(125,222)	(125,222)	Council Tax Precept	(121,920)
0	0	Investment Income	(100)
0	0	Use of Reserves	0
19,272	50,929	Contribution to Reserves	1,420
(105,950)	(74,293)	Total Income & Reserves	(120,600)

0	0	Net Position	0
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Poole Charter Trustee - Reserves

(37,658)	(37,658)	Opening Balance	(88,587)
(19,272)	(50,929)	In year movement	(1,420)
0	0	Amount utilised to fund one-off expenditure	37,658
(56,930)	(88,587)	Closing Balance	(52,349)

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Appendix B

Salary and Recharge Review 2021/22

Accountancy Recharges

Tasks Undertaken	Officer	Frequency	Month	Hours	Annual Hours	Rate £	Cost £
In year budget monitoring	DP	2	Oct, Jan	3	6	45.96	275.79
	MF	2	Oct, Jan	3	6	36.49	218.95
Outturn and accounts	DP	1	April	7	7	45.96	321.75
	MF	1	April	7	7	36.49	255.44
Budget setting & precept	DP	1	Jan	10	10	45.96	459.65
	MF	1	Jan	10	10	36.49	364.92
VAT Returns	MP	4	Qtrly	3	12	30.70	368.40
Banking	TBC	12	Monthly	3	36	24.71	889.56
BCP Finance Systems	Various						253.19
Total Accountancy Recharge							3,407.65

Salary Costs

Salary Element	Budget 2020/21 £	Budget 2021/22 £	Basis of Apportionment
Head of Democratic Services		1,700	5% of cost split 40% Poole CT
Deputy Head of Democratic Services		2,900	10% of cost split 40% Poole CT
Mayor's PA / Team Leader		12,300	80% of cost split 40% Poole CT
Mayor's PA / Team Leader		12,300	80% of cost split 40% Poole CT
Mace Bearer		10,600	80% of cost split 40% Poole CT
Mace Bearer		10,600	80% of cost split 40% Poole CT
Deputy Mace Bearer		9,000	80% of cost split 40% Poole CT
Total Salary Costs	46,900	59,400	

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THE CHARTER TRUSTEES FOR POOLE



Report subject	Financial Regulations
Meeting date	27 January 2021
Status	Public Report
Executive summary	<p>Since their establishment on 1 April 2019 the Charter Trustees have used the BCP Council financial regulations and accounting systems.</p> <p>This report asks the Charter Trustees to approve their own set of financial regulations and to note changes being made to financial processes and procedures that recognise that the Charter Trustees as a separate legal entity to BCP Council.</p>
Recommendations	<p>It is RECOMMENDED that:</p> <ul style="list-style-type: none"> (a) The Charter Trustees approve the financial regulations as presented in Appendix A to this report; (b) The Charter Trustees approve the scheme of delegation presented in Appendix B to this report; (c) The Charter Trustees approve the bank mandate as presented in Appendix C to this report; (d) The Charter Trustees note the other arrangements being made to further improve financial processes and procedures.
Reason for recommendations	To ensure that the Charter Trustees have relevant and fit for purpose financial regulations, systems and procedures.

Honorary Clerk	Graham Farrant
Report Authors	Dan Povey, Responsible Financial Officer
Wards	All relevant wards.
Classification	For Decision

Background

1. The Charter Trustees for Poole were established on 1 April 2019 as part of a wider local government reorganisation within Dorset. In order to ensure a safe and legal landing on 1 April 2019 the new Charter Trustees have made use of the BCP Council financial regulations to govern their financial control environment.
2. Whilst this arrangement was an efficient and pragmatic solution and was consistent with the appointment of BCP Council officers to provide the Charter Trustees with financial and administrative support, now that the Charter Trustees have become established, and as separate legal entities, they will benefit from approving their own bespoke financial regulations and scheme of delegation.
3. The Annual Internal Audit report presented to the Charter Trustee meeting of 26 August 2020 identified the review of financial regulations and the scheme of delegation as a high priority in order that they were consistent with the size and functions of the Charter Trustees.
4. Since their establishment the Charter Trustees have made use of the BCP Council banking arrangements and been part of the council's financial ledger. In reviewing the financial regulations it was recognised that opening the Charter Trustees a bank account of their own and creating their own financial ledger would allow the financial regulations to be more relevant and would recognise the Charter Trustees as a separate legal entity to the council.

Financial regulations

5. The draft financial regulations are attached as Appendix A to this report.
6. The financial regulations govern the Charter Trustees' financial management and control environment and apply to both Charter Trustees and officers. The financial regulations seek to ensure that there is an effective system of internal control and risk management in place, in order to safeguard public funds and assets.
7. The following key areas of the financial regulations are particularly brought to the attention of the Charter Trustees:
 - a. Appointment of officers to support the Charter Trustees (Regulations 1.7 and 1.8);
 - b. The responsibilities of the Responsible Financial Officer (Regulation 1.9);
 - c. Decisions that can only be taken by the Charter Trustees (Regulation 1.13);
 - d. Provisions relating to the production of accounts, internal and external audit (Section 2);

- e. Budget setting and budgetary control (Sections 3 and 4);
- f. Banking arrangements and making payments (Sections 5 and 6);
- g. Ordering goods and services (Section 10);
- h. Control of assets (Section 13);

Scheme of delegation

- 8. The draft scheme of delegation is attached as Appendix B to this report.
- 9. The scheme of delegation is derived from the authorities set out in the financial regulations, and seeks to clearly define the functions delegated to officers and the functions that must be carried out by the Charter Trustees.
- 10. The scheme also seeks to provide an adequate separation of duties in relation to functions concerned with the authorisation of expenditure and banking arrangements and should be read in conjunction with the bank mandate attached at Appendix C.

Financial processes and procedures

- 11. In reviewing the financial regulations and ensuring that they are relevant and fit for purpose for the Charter Trustees other changes to financial systems and processes have been identified. These changes are largely concerned with recognising that the Charter Trustees are a separate legal entity to BCP Council and in order to demonstrate clear lines of accountability and audit trails it is desirable that their transactions are accounted for separately from the council's transactions.
- 12. The Charter Trustees can still enjoy economies of scale and efficiencies associated with the appointment of BCP Council officers to support their secretarial and financial requirements, and by using the core finance system and banking contract used by BCP Council.
- 13. The main proposed changes to processes and procedures are as follows:
- 14. **Bank account** – the Charter Trustees will have their own individual bank account through which all income and expenditure will flow rather than using the BCP Council bank account. This will improve transparency and allow for individual bank reconciliations of the Charter Trustees' transactions. The Charter Trustee banking arrangements will still be under the umbrella of the council's banking contract and so they will benefit from efficiencies in bank charges and also the separation of duties in authorising payments that the council achieves.
- 15. **Stationery** – the Charter Trustees will have their own stationery such as order books, receipt books, invoices and authorisation slips.
- 16. **Accounting Records** – the Charter Trustees will continue to use the BCP Council accounting system and so benefit from cost efficiencies and the financial controls implemented by the council, but will be separately identified in their own chart of accounts as a separate legal entity rather than as a cost centre within BCP Council.

Summary of financial implications

- 17. The proposed financial regulations, scheme of delegation and bank mandate are tailored to the requirements of the Charter Trustees and so will improve financial control and transparency.

Summary of legal implications

18. The financial regulations ensure that the Charter Trustees comply with relevant legislation and proper practices.

Summary of human resources implications

19. Officers will be appointed by BCP Council to support the secretarial and financial requirements of the Charter Trustees.

Summary of sustainability impact

20. None.

Summary of public health implications

21. None.

Summary of equality implications

22. None.

Summary of risk assessment

23. The review of the financial regulations addresses high priority weaknesses identified in the Annual Internal Audit report presented to the Charter Trustee meeting of 26 August 2020.

Background papers

Annual Internal Audit Report, Charter Trustees for Poole meeting 26 August 2020:

<https://democracy.bcpccouncil.gov.uk/documents/q4573/Public%20reports%20pack%2026th-Aug-2020%2017.00%20The%20Charter%20Trustees%20for%20Poole.pdf?T=10>

Appendices

Appendix A – Financial Regulations

Appendix B – Scheme of Delegation

Appendix C – Banking Arrangements and Mandate

Charter Trustees for Poole

Financial Regulations

Policy name	Version	Owner	Date Adopted	Review Date
Financial Regulations	V1.0	RFO	January 2021	

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1. GENERAL

- 1.1. These financial regulations govern the conduct of financial management by the Charter Trustees and their officers and may only be amended or varied by resolution of the Charter Trustees. Financial regulations are one of the Charter Trustees' three governing policy documents providing procedural guidance for members and officers, the other documents being Standing Orders and the Charter Trustee's Handbook. Financial regulations must be observed in conjunction with the Charter Trustees' Standing Orders and any individual financial regulations relating to contracts.
- 1.2. The Charter Trustees are responsible in law for ensuring that their financial management is adequate and effective and that the Charter Trustees have a sound system of internal control which facilitates the effective exercise of the Charter Trustees' functions, including arrangements for the management of risk.
- 1.3. The Charter Trustees' accounting control systems must include measures:
 - for the timely production of accounts;
 - that provide for the safe and efficient safeguarding of public money;
 - to prevent and detect inaccuracy and fraud; and
 - identifying the duties of officers.
- 1.4. These financial regulations demonstrate how the Charter Trustees meet these responsibilities and requirements.
- 1.5. At least once a year, prior to approving the Annual Governance Statement, the Charter Trustees must review the effectiveness of the system of internal control which shall be in accordance with proper practices.
- 1.6. Deliberate or wilful breach of these Regulations by a Charter Trustee or employee may give rise to disciplinary proceedings.
- 1.7. The Responsible Financial Officer (RFO) shall be appointed by Bournemouth, Christchurch and Poole Council and will be a CCAB qualified accountant.
- 1.8. Bournemouth, Christchurch and Poole Council will appoint other officers as appropriate to provide administrative, secretarial and financial support to the Charter Trustees.
- 1.9. The RFO;
 - acts under the policy direction of the Charter Trustees;
 - administers the Charter Trustees' financial affairs in accordance with all Acts, Regulations and proper practices;

- determines on behalf of the Charter Trustees their accounting records and accounting control systems;
 - ensures the accounting control systems are observed;
 - maintains the accounting records of the Charter Trustees up to date in accordance with proper practices;
 - assists the Charter Trustees to secure economy, efficiency and effectiveness in the use of its resources; and
 - produces financial management information as required by the Charter Trustees.
- 1.10. The accounting records determined by the RFO shall be sufficient to show and explain the Charter Trustees' transactions and to enable the RFO to ensure that any income and expenditure account and statement of balances, or record of receipts and payments and additional information, as the case may be, or management information prepared for the Charter Trustees from time to time comply with the Accounts and Audit Regulations.
- 1.11. The accounting records determined by the RFO shall in particular contain:
- entries of all sums of money received and expended by the Charter Trustees and the matters to which the income and expenditure or receipts and payments account relate;
 - a record of the assets and liabilities of the Charter Trustees; and
 - a record of the Charter Trustees' income and expenditure in relation to claims made, or to be made, for any contribution, grant or subsidy.
- 1.12. The accounting control systems determined by the RFO shall include:
- procedures to ensure that the financial transactions of the Charter Trustees are recorded as soon as reasonably practicable and as accurately and reasonably as possible;
 - procedures to enable the prevention and detection of inaccuracies and fraud and the ability to reconstruct any lost records;
 - identification of the duties of officers dealing with financial transactions and division of responsibilities of those officers in relation to significant transactions;
 - procedures to ensure that uncollectable amounts, including any bad debts are not submitted to the Charter Trustees for approval to be written off except with the approval of the RFO and that the approvals are shown in the accounting records; and
 - measures to ensure that risk is properly managed.

- 1.13. The Charter Trustees are not empowered by these Regulations or otherwise to delegate certain specified decisions. In particular any decision regarding:
- setting the final budget or the precept (council tax requirement);
 - approving accounting statements;
 - approving an annual governance statement;
 - writing off bad debts;
 - addressing recommendations in any report from the internal or external auditors,
- shall be a matter for the Charter Trustees only.
- 1.14. In addition the Charter Trustees must:
- determine and keep under regular review the bank mandate for all bank accounts;
 - nominate two budget signatories to authorise expenditure which is not part of the approved annual budget and to approve “out of pocket expenses” incurred by the Mayor in the course of their civic duties;
 - in respect of the annual salary for any employee have regard to recommendations about annual salaries of employees made by the relevant committee in accordance with its terms of reference.
- 1.15. In these financial regulations, references to the Accounts and Audit Regulations or ‘the regulations’ shall mean the regulations issued under the provisions of sections 32, 43(2) and 46 of the Local Audit and Accountability Act 2014, or any superseding legislation, and then in force unless otherwise specified.
- 1.16. In these financial regulations the term ‘proper practice’ or ‘proper practices’ shall refer to guidance issued in *Governance and Accountability for Smaller Authorities in England - a Practitioners’ Guide to Proper Practices*, available from the website of the NALC.

2. ACCOUNTING AND AUDIT (INTERNAL AND EXTERNAL)

- 2.1. All accounting procedures and financial records of the Charter Trustees shall be determined by the RFO in accordance with the Accounts and Audit Regulations, appropriate guidance and proper practices. Financial records will be retained in accordance with legislative requirements.
- 2.2. On a regular basis, at least once in each quarter, and at each financial year end, a member other than the Mayor shall be appointed to verify bank reconciliations (for all

accounts) produced by the RFO. The member shall sign the reconciliations and the original bank statements (or similar document) as evidence of verification. This activity shall on conclusion be reported, including any exceptions, to and noted by the Charter Trustees at the next appropriate meeting.

- 2.3. The RFO shall complete the Annual Governance and Accountability Return, including the accounting statements and any related documents of the Charter Trustees as specified in proper practices as soon as practicable after the end of the financial year and having certified the accounts shall submit them and report thereon to the Charter Trustees within the timescales set by the Accounts and Audit Regulations.
- 2.4. The Charter Trustees shall ensure that there is an adequate and effective system of internal audit of its accounting records, and of its system of internal control in accordance with proper practices. Any officer or member of the Charter Trustees shall make available such documents and records as appear to the Charter Trustees to be necessary for the purpose of the audit and shall, as directed by the Charter Trustees, supply the RFO, internal auditor, or external auditor with such information and explanation as the Charter Trustees consider necessary for that purpose.
- 2.5. The internal auditor shall be appointed by and shall carry out the work in relation to internal controls required by the Charter Trustees in accordance with proper practices.
- 2.6. The internal auditor shall:
 - be competent and independent of the financial operations of the Charter Trustees;
 - report to Charter Trustees in writing, or in person, on a regular basis with a minimum of one annual written report during each financial year;
 - to demonstrate competence, objectivity and independence, be free from any actual or perceived conflicts of interest, including those arising from family relationships; and
 - have no involvement in the financial decision making, management or control of the Charter Trustees.
- 2.7. Internal or external auditors may not under any circumstances:
 - perform any operational duties for the Charter Trustees;
 - initiate or approve accounting transactions; or
 - direct the activities of any Charter Trustee employee, except to the extent that such employees have been appropriately assigned to assist the internal auditor.
- 2.8. For the avoidance of doubt, in relation to internal audit the terms 'independent' and 'independence' shall have the same meaning as is described in proper practices.
- 2.9. The RFO shall make arrangements for the exercise of electors' rights in relation to the accounts including the opportunity to inspect the accounts, books, and vouchers and display or publish any notices and statements of account required by the Local Audit and Accountability Act 2014, the Accounts and Audit Regulations or any superseding legislation.

- 2.10. The RFO shall, without undue delay, bring to the attention of all Charter Trustees any correspondence or report from internal or external auditors.

3. ANNUAL ESTIMATES (BUDGET) AND FORWARD PLANNING

- 3.1. The RFO must each year, by no later than January, prepare detailed estimates of all receipts and payments including the use of reserves and level of precept for the following financial year in the form of a budget to be considered by the Charter Trustees in their budget setting meeting.
- 3.2. The Charter Trustees shall set the precept (council tax requirement), and relevant basic amount of council tax to be levied for the ensuing financial year not later than by the end of January each year. The RFO shall issue the precept to the billing authority and shall supply each member with a copy of the approved annual budget.
- 3.3. The approved annual budget shall form the basis of financial control for the ensuing year.
- 3.4. The budget process will include consideration of the use and level of reserves and the RFO shall strive to ensure a minimum prudent level of reserves are maintained.

4. BUDGETARY CONTROL AND AUTHORITY TO SPEND

- 4.1. Expenditure may be authorised up to the amounts included for that class of expenditure in the approved budget. This authority is to be determined by:
- officers appointed by BCP Council to cover the secretarial and financial requirements of the Charter Trustees up to the amount included for that class of expenditure in the approved budget;
 - the budget signatories for “out of pocket expenses” incurred by the Mayoral Party in the course of their civic duties;
- 4.2. Authority is to be evidenced by an authorisation slip duly signed by the appropriate officer or budget signatory. E-signatures backed up by an email are sufficient authorisation.

- 4.3. No expenditure may be authorised that will exceed the amount provided in the budget for that class of expenditure other than by resolution of the Charter Trustees. During the budget year and with the approval of the Charter Trustees 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 ('virement').
- 4.4. In cases of urgency both budget signatories may approve virement between budget headings, which must be reported formally to the next meeting of the Charter Trustees.
- 4.5. Unspent provisions in the budget shall not be carried forward to a subsequent year.
- 4.6. Where applicable salary budgets are to be reviewed at least annually in November for the following financial year and such review shall be evidenced by a hard copy schedule signed by the Clerk and the Mayor. The RFO will inform the Charter Trustees of any changes impacting on their budget requirement for the coming year as part of the budget process.
- 4.7. Where the Charter Trustees are supported by officers employed by, or financial systems and accommodation owned by BCP Council, the RFO will ensure that the Charter Trustees are recharged for a fair and proportionate share of the cost of these services and that these recharges are kept under review, informing the Charter Trustees of any changes as part of the budget process.
- 4.8. No expenditure shall be authorised in relation to any project and no contract entered into or tender accepted involving expenditure unless the Charter Trustees are satisfied that the necessary funds are available.
- 4.9. All expenditure shall be administered in accordance with the Charter Trustees' standing orders and financial regulations relating to contracts.
- 4.10. The RFO shall provide the Charter Trustees with a statement of receipts and payments to date under each head of the budgets, comparing actual expenditure at the appropriate date against that planned as shown in the budget. These statements are to be prepared at least twice a year to include a mid-year estimate and the year-end and shall show explanations of material variances. For this purpose "material" shall be variances in excess of £1,000 of the budget.
- 4.11. Changes in earmarked reserves shall be approved by Charter Trustees as part of the budgetary control process.

5. BANKING ARRANGEMENTS AND AUTHORISATION OF PAYMENTS

- 5.1. The Charter Trustees' banking arrangements, including the bank mandate, shall be made by the RFO and approved by the Charter Trustees. They shall be regularly reviewed for control and efficiency.
- 5.2. All invoices for payment shall be examined, verified and certified by the appropriate authorised officer to confirm that the work, goods or services to which each invoice relates has been received, carried out, examined and represents expenditure previously approved by the Charter Trustees in line with the approved budget.
- 5.3. All invoices must be addressed to The Charter Trustees For Poole in order for payment to be authorised.
- 5.4. The appropriate authorised officer shall examine invoices for arithmetical accuracy and analyse them to the appropriate expenditure heading.
- 5.5. Authorisation to spend is to be evidenced by an authorisation slip duly signed by the appropriate officer or budget signatory in the case of the Mayor's out of pocket expenses.
- 5.6. The appropriate authorised officer shall prepare a quarterly schedule of payments and, together with the relevant invoices, present the schedule to a budget signatory to review the payments for compliance. The schedule of payments made should be signed by the budget signatory to evidence the review has taken place.
- 5.7. The RFO shall have delegated authority to authorise fund transfers within the Charter Trustees' banking arrangements for cash flow or investment purposes.
- 5.8. Only Charter Trustees shall approve grants, awards and disbursements, and these shall be in accordance with any limits and policy statements approved by them.
- 5.9. Charter Trustees are subject to the Code of Conduct that has been adopted by the Council and shall comply with the Code and Standing Orders when a decision to authorise or instruct payment is made in respect of a matter in which they have a disclosable pecuniary or other interest, unless a dispensation has been granted.

6. INSTRUCTIONS FOR THE MAKING OF PAYMENTS

- 6.1. The Charter Trustees will make safe and efficient arrangements for the making of their payments.
- 6.2. Following authorisation under Financial Regulation 5 above, the appropriate authorised officer, RFO, Charter Trustee or budget signatory shall give instruction that a payment shall be made.
- 6.3. All payments shall be effected by cheque or other instructions to the Charter Trustees' bankers, or otherwise, in accordance with the authorisation.
- 6.4. Cheques shall be signed by two appropriate authorised officers in accordance with the bank mandate.
- 6.5. To indicate agreement of the details shown on the cheque or order for payment with the counterfoil and the invoice or similar documentation, the signatories shall each also initial the cheque counterfoil.
- 6.6. Direct debits will not be authorised for use unless by resolution of the Charter Trustees.
- 6.7. If thought appropriate by the Charter Trustees, payment for certain items (principally salaries) may be made by banker's standing order provided that the instructions are signed, or otherwise evidenced by two budget signatories, are retained and any payments are reported to Charter Trustees at their next meeting. The approval of the use of a banker's standing order shall be renewed by resolution of the Charter Trustees at least every two years.
- 6.8. If thought appropriate by the Charter Trustees, payment may be made by BACS, CHAPS or internet banking methods provided that the instructions for each payment are signed, or otherwise evidenced, by two authorised bank signatories. The approval of the use of BACS or CHAPS shall be renewed by resolution of the Charter Trustees at least every two years.
- 6.9. Authorised officers on the bank mandate will be responsible for keeping all PIN numbers and passwords in a secure manner and ensure that they are regularly changed.
- 6.10. No officer or Charter Trustee shall disclose any personal PIN or password, relevant to the working of the Charter Trustee or its bank accounts.
- 6.11. Regular back-up copies of the records on any computer shall be made and shall be stored securely away from the computer in question, and preferably off site.
- 6.12. The Charter Trustees, and any members using computers for the Charter Trustees' financial business, shall ensure that anti-virus, anti-spyware and firewall software with automatic updates, together with a high level of security, is used.

- 6.13. Where internet banking arrangements are made with any bank, an appropriate officer shall be appointed as the Service Administrator. The bank mandate approved by the Charter Trustees shall identify a number of authorised officers who will be authorised to approve transactions on those accounts.
- 6.14. Access to any internet banking accounts will be directly to the access page (which may be saved under “favourites”), and not through a search engine or e-mail link. Remembered or saved passwords facilities must not be used on any computer used for Charter Trustee banking work. Breach of this Regulation will be treated as a very serious matter under these regulations.
- 6.15. Changes to account details for suppliers, which are used for internet banking may only be changed on written hard copy notification by the supplier and supported by hard copy authority for change signed by a budget signatory. A programme of regular checks of standing data with suppliers will be followed.
- 6.16. The use of debit and credit cards is not authorised for making payments.
- 6.17. The Charter Trustees will not maintain any form of cash float. Any cash received must be banked intact.
- 6.18. Officers will have access to the BCP Procurement cards currently in use to purchase sundry items of low value. These will be subject to the limits and controls implemented by BCP Council and will be kept under review. The issue of procurement cards must be authorised by the Responsible Financial Officer.

7. PAYMENT OF SALARIES

- 7.1. Where applicable, as an employer the Charter Trustees 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 salary rates shall be as agreed by the Charter Trustees.
- 7.2. Payment of salaries and payment of deductions from salary such as may be required to be made for tax, national insurance and pension contributions, or similar statutory or discretionary deductions must be made in accordance with the payroll records and on the appropriate dates stipulated in employment contracts, provided that each payment is reported to the next available Charter Trustee meeting, as set out in these regulations above. The payroll process shall be undertaken by the appropriately authorised officer.
- 7.3. No changes shall be made to any employee's pay, emoluments, or terms and conditions of employment without the prior consent of the Charter Trustees.
- 7.4. Each and every payment to employees of net salary and to the appropriate creditor of the statutory and discretionary deductions shall be recorded in a separate confidential record (confidential cash book). This confidential record is not open to inspection or

review (under the Freedom of Information Act 2000 or otherwise) other than:

- a) by any Charter Trustee who can demonstrate a need to know;
- b) by the internal auditor;
- c) by the external auditor; or
- d) by any person authorised under the Local Audit and Accountability Act 2014 or any superseding legislation.

- 7.5. The total of such payments in each calendar month shall be reported with all other payments as made as may be required under these Financial Regulations, to ensure that only payments due for the period have actually been paid.
- 7.6. An effective system of personal performance management should be maintained for the senior officers.
- 7.7. Any termination payments shall be supported by a clear business case and reported to the Charter Trustees. Termination payments shall only be authorised by Charter Trustees.
- 7.8. Before employing interim staff the Charter Trustees must consider a full business case.
- 7.9. In accordance with Standing Orders officers may be appointed by BCP Council to cover the secretarial and financial requirements of the Charter Trustees. These officers shall be employed by BCP Council.
- 7.10. The proportionate cost of officers appointed by BCP Council will be recharged to the Charter Trustees. The RFO will keep the value of these recharges under review to ensure that they are proportionate.
- 7.11. Changes required to officer costs that are recharged by BCP Council to the Charter Trustees will be agreed as part of the annual budget setting process.

8. LOANS AND INVESTMENTS

- 8.1. The Charter Trustees will not incur long term external debt through borrowing.
- 8.2. The Charter Trustees will arrange with the Charter Trustees' banks and investment providers for the sending of a copy of each statement of account to the appropriately authorised officer.
- 8.3. All loans and investments shall be negotiated in the name of the Charter Trustees and shall be for a set period in accordance with Charter Trustee policy.
- 8.4. The Charter Trustees shall consider the need for an Investment Strategy and Policy which, if drawn up, shall be in accordance with relevant regulations, proper practices and guidance. Any Strategy and Policy shall be reviewed by the Charter Trustees at least annually.
- 8.5. All investments of money under the control of the Charter Trustees shall be in the name of the Charter Trustees.

- 8.6. All investment certificates and other documents relating thereto shall be retained in the custody of the RFO.
- 8.7. Payments in respect of short term or long term investments, including transfers between bank accounts held in the same bank, or branch, shall be made in accordance with Regulation 5 (Authorisation of payments) and Regulation 6 (Instructions for payments).
- 8.8. Provisions 8.2 to 8.7 shall not apply where the Charter Trustees, for reasons of efficiency, pool their cash balances with BCP Council for investment purposes. In this case the investments will be made in accordance with the Strategy and Policy of BCP Council, and the Charter Trustees will be credited at the year end with the average investment return that BCP Council achieves for the relevant financial year.

9. INCOME

- 9.1. The collection of all sums due to the Charter Trustees shall be the responsibility of and under the supervision of the RFO.
- 9.2. Any sums found to be irrecoverable and any bad debts shall be reported to the Charter Trustees and shall be written off in the year.
- 9.3. All sums received on behalf of the Charter Trustees shall be banked intact as directed by the RFO. In all cases, all receipts shall be deposited with the Charter Trustees' bankers with such frequency as the RFO considers necessary. Sequential carbon receipt books should be used to record all income received.
- 9.4. The origin of each receipt shall be entered on the paying-in slip.
- 9.5. Personal cheques shall not be cashed out of money held on behalf of the Charter Trustees.
- 9.6. The RFO shall promptly complete any VAT Return that is required. Any repayment claim due in accordance with VAT Act 1994 section 33 shall be made at least annually coinciding with the financial year end.

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 to be prepared or an official order would be inappropriate. 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 11.1 below.
- 10.4. A member may not issue an official order or make any contract on behalf of the Charter Trustees.

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 this regulation need 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 Charter Trustees;
 - v. for additional audit work of the external auditor; and
 - vi. for goods or materials proposed to be purchased which are proprietary articles and / or are only sold at a fixed price.
- b. Where the Charter Trustees intend to procure or award a 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 Charter Trustees shall comply with the relevant requirements of the Regulations.
- c. The full requirements of The Regulations, as applicable, shall be followed in respect of the tendering and award of a public supply contract, public service contract or public works contract which exceed thresholds in The Regulations set by the Public Contracts Directive 2014/24/EU (which may change from time to time).
- d. 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 Charter Trustees.
- e. Such invitation to tender shall state the general nature of the intended contract and the RFO shall obtain the necessary technical assistance to prepare a specification in appropriate cases. Unless the tendering process is to be managed through an E-tendering system, 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.

- f. All sealed tenders shall be opened at the same time on the prescribed date by the RFO in the presence of at least one member of Charter Trustees.
- g. Any invitation to tender issued under this regulation shall be subject to Standing Orders, and shall refer to the terms of the Bribery Act 2010.
- h. When it is to enter into a contract of less than £25,000 in value for the supply of goods or materials or for the execution of works or specialist services other than such goods, materials, works or specialist services as are excepted as set out in paragraph (a) the RFO shall obtain 3 quotations (priced descriptions of the proposed supply); where the value is below £3,000 and above £100 the RFO shall strive to obtain 3 estimates. Otherwise, Regulation 10.3 above shall apply.
- i. The Charter Trustees shall not be obliged to accept the lowest or any tender, quote or estimate.
- j. Should it occur that the Charter Trustees do not accept any tender, quote or estimate, the work is not allocated and the Charter Trustees require further pricing, provided that the specification does not change, no person shall be permitted to submit a later tender, estimate or quote who was present when the original decision making process was being undertaken.

12. STORES AND EQUIPMENT

- 12.1. The officer in charge of each function shall be responsible for the care and custody of stores and equipment in that section.
- 12.2. 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.
- 12.3. Stocks shall be kept at the minimum levels consistent with operational requirements.
- 12.4. The RFO shall be responsible for periodic checks of stocks and stores at least annually.

13. ASSETS

- 13.1. No tangible moveable assets shall be purchased or otherwise acquired, sold, leased or otherwise disposed of, without the authority of the Charter Trustees, together with any other consents required by law, save where the estimated value of any one item of tangible movable property does not exceed £500.
- 13.2. The RFO shall ensure that an appropriate and accurate Register of Assets is kept up to date. The RFO will ensure assets are revalued at appropriate intervals. 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.

14. INSURANCE

- 14.1. Following the annual risk assessment (per Regulation 15), the RFO shall effect all insurances and negotiate all claims on the Charter Trustees' insurers.
- 14.2. The Clerk shall give prompt notification to the Charter Trustees of all new risks which require to be insured and of any alterations affecting existing insurances.
- 14.3. The RFO shall keep a record of all insurances effected by the Charter Trustees and the property and risks covered thereby and annually review it.
- 14.4. The RFO shall be notified of any loss liability or damage or of any event likely to lead to a claim, and shall report these to the Charter Trustees at the next available meeting.
- 14.5. All appropriate members and employees of the Charter Trustees shall be included in a suitable form of security or fidelity guarantee insurance which shall cover the maximum risk exposure as determined by the Charter Trustees.

15. RISK MANAGEMENT

- 15.1. The Charter Trustees are responsible for putting in place arrangements for the management of risk. The Clerk shall prepare, for approval by the Charter Trustees, a risk register in respect of all activities of the Council. The Risk Register and consequential risk management arrangements shall be reviewed by the Charter Trustees at least annually.
- 15.2. When considering any new activity, the Clerk shall prepare a draft risk assessment including risk management proposals for consideration and adoption by the Charter Trustees.

16. SUSPENSION AND REVISION OF FINANCIAL REGULATIONS

- 16.1. It shall be the duty of the Charter Trustees to review the Financial Regulations from time to time. The RFO shall make arrangements to monitor changes in legislation or proper practices and shall advise the Charter Trustees of any requirement for a consequential amendment to these Financial Regulations.
- 16.2. The Charter Trustees may, by resolution of the Charter Trustees duly notified prior to the relevant meeting, suspend any part of these Financial Regulations provided that reasons for the suspension are recorded and that an assessment of the risks arising has been drawn up and presented in advance to all Charter Trustees.
- 16.3. In any case of suspension or revision to the financial regulations, this must be limited to ensure prevailing UK legislative requirements continue to be followed thus remaining lawful.

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Charter Trustees For Poole

Scheme of Delegation

Policy name	Version	Owner	Date Adopted	Review Date
Scheme of Delegation	V1.0	RFO	January 2021	

Decision	Source of Delegation: Financial Reg (FR)	Delegated To
Decisions Reserved to the Charter Trustees		
Amendment or suspension of financial regulations.	FR 1.1 FR 16.2	The Charter Trustees
Reviewing the system of internal control.	FR 1.5 FR 2.4	The Charter Trustees
Setting the budget and precept	FR 1.13 FR 3.2	The Charter Trustees
Levels and utilisation of reserves	FR 4.11	The Charter Trustees
Expenditure which exceeds the approved budget	FR 4.3	The Charter Trustees
Budget virement	FR 4.3 FR 4.4	The Charter Trustees Charter Trustee Budget Signatories - Urgency
Approval of grants, awards and disbursements	FR 5.8	The Charter Trustees
Writing off bad debts	FR 1.13	The Charter Trustees
Purchase or disposal of assets with a value exceeding £500	FR 13.1	The Charter Trustees
Approving accounting statements	FR 1.13	The Charter Trustees
Approving the Annual Governance Statement	FR 1.13	The Charter Trustees
Addressing recommendations from internal or external audit	FR 1.13	The Charter Trustees
Approval of banking arrangements	FR 5.1	The Charter Trustees
Approval to set up direct debits, BACs, CHAPS and standing orders	FR 6.6 FR 6.7 FR 6.8	The Charter Trustees
Changes to employees pay and conditions of employment	FR 7.3	The Charter Trustees
Authorisation of termination payments	FR 7.7	The Charter Trustees
Putting in arrangements for the management of risk	FR 15.1	The Charter Trustees
Delegations Relating to Appointment of Officers		
Appointment of the Responsible Financial Officer	FR 1.7 FR 7.9	Bournemouth, Christchurch and Poole Council
Appointment of officers to provide administrative, secretarial and financial support to the Charter Trustees	FR 1.8 FR 7.9	Bournemouth, Christchurch and Poole Council

Decision	Source of Delegation: Financial Reg (FR)	Delegated To
Delegations Relating to Accounting Systems		
Determining accounting and control systems and procedures	FR 1.9 FR 2.1	Responsible Financial Officer
Delegations Relating to Authorising Expenditure		
Placing orders and processing invoices	FR 7.9 FR 10.1	Civic Team Leader Mace Bearer and Chauffeur
Approval of orders and expenditure in accordance with the approved budget	FR 4.1 FR 5.5 FR 7.9	Honorary Clerk Head of Democratic Services Deputy Head of Democratic Services
Out of pocket expenses incurred by the Mayor	FR 4.1 FR 5.5	Charter Trustee Budget Signatories
Delegations Relating to Banking		
Authorisation of fund transfers within the Charter Trustees banking arrangements	FR 5.7	Responsible Financial Officer
Approval of the use of procurement cards	FR 6.18	Responsible Financial Officer
Delegations Relating to Insurance		
Ensuring effective insurance arrangements are in place	FR 14.1	Responsible Financial Officer

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Appendix C

Charter Trustees For Poole Banking Arrangements and Mandate

General Arrangements for Banking

Item	Note
Bank account	Single bank account under the BCP Council umbrella banking contract
Interest on credit balances	Credit balances to be pooled with BCP Council balances overnight for investment. The Charter Trustees will receive interest based on the average BCP Council investment return for the financial year.
Bank charges	To be charged directly to the Charter Trustee bank account.
Debit and credit cards	Will not be required.
Overdraft limit	Will not be required.
On line banking	On line banking to be used to make payments in a similar way to that used by BCP Council. Dual authorisation required for on-line payments.
Cheque book	A cheque book will be available to make payments. Dual authorisation required for cheques.
Procurement Cards	Officers will have access to the BCP Procurement cards currently in use to purchase sundry items of low value. These will be subject to the limits and controls implemented by BCP Council and will be kept under review.

Bank Mandate

Item	Authorised Officer
Effecting changes to the bank mandate	Corporate Team Accountants Level 3 BCP Council Finance Managers Responsible Financial Officer
Internet banking administrator	Accountants Level 2 & 3
Inputting Chaps / payment details for internet payments	Corporate Team Accountants Level 1 & 2
Authorising internet payments	Corporate Team Accountants Level 3 BCP Council Finance Managers Responsible Financial Officer
Signing cheques	Corporate Team Accountants Level 3 BCP Council Finance Managers Responsible Financial Officer

Poole Charter Trustee Risk Register

Activity	Risk Register		
Service Unit	Law and Governance		
Department	Civic Team		
Assessed By			
Assessment Date		Date Review Due	

Likelihood x
Severity
=
Risk Rating

		SEVERITY			
		1 Complete	2 On track	3 Some challenges, mitigation action in place	4 Serious challenge, remedial action in place
	1 Rare	1	2	3	4
	2 Unlikely	2	4	6	8
	3 Likely	3	6	9	12
LIKELIHOOD	4 Certain	4	8	12	16



Reference

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RISK RATING (Likelihood x Severity = Risk Rating)

1 – 2	Low	No further action necessary. Controls to be monitored to ensure that they remain suitable.
3 – 4	Medium	If likelihood is likely or certain, identify and implement further controls as soon as is practicable. In all cases controls to be monitored to ensure that they remain suitable.
6 – 9	High	If likelihood is likely or certain, identify and implement further controls without delay. In all cases controls to be monitored to ensure that they remain suitable.
12 - 16	Extreme	Activity must not proceed until further controls have been identified and implemented, to reduce risk rating to an acceptable level.

Risk	Risk Cause	Risk Impact	Current Measures in Place	Gross Risk Score			Further Action/Mitigation Controls Required	Control/Action Target Date	Person responsible	Target Risk Score		
				L	S	R				L	S	R
Historical and ceremonial assets	Loss of civic regalia	Loss of irreplaceable items or irreparable damage	Complete asset register with photos stored in a secure folder. All assets are securely stored in the strong room safe or locked in the Mayors Parlour. Time register kept for the removal and return of any asset taken off site.	1	3	3	Undertake an annual asset verification to maintain the integrity of the assets and a review of the insurance arrangements. Charter Trustees to decide on frequency of a full valuation to be carried out (£1500 in 2019)	December 2020	Deputy Head of Democratic Services	1	2	2

Agenda Item 8

Risk	Risk Cause	Risk Impact	Current Measures in Place	Gross Risk Score			Further Action/Mitigation Controls Required	Control/Action Target Date	Person responsible	Target Risk Score		
				L	S	R				L	S	R
Historical and ceremonial assets	Damage to civic regalia	Damage	All assets to be stored appropriately. Gloves worn at all times when handling historic assets. Appropriate cleaning/polishing methods applied.	2	3	6	A review of insurance arrangements. Discourage the civic dignitary from removing Chains/Badge of Office without Macebearer assistance. Discourage members of the public from handling the civic regalia.	December 2020	Deputy Head of Democratic Services	1	2	2
Finance	Non-compliance with the financial regulations adopted by the Charter Trustees	Loss of financial revenue from the Charter Trustee accounts	The Charter Trustees have operated in accordance with the BCP Council Financial Regulations this will continue until such time as the Charter Trustees develop their own financial regulations. In addition it is necessary to define the role of the	2	1	2	Introduction and approval of Financial Regulations for the Charter Trustees. Charter Trustees to approve the Role and Responsibilities of the Budget Signatories.	November 2020	Deputy Head of Democratic Services/Daniel Povey	1	1	1

Risk	Risk Cause	Risk Impact	Current Measures in Place	Gross Risk Score			Further Action/Mitigation Controls Required	Control/Action Target Date	Person responsible	Target Risk Score		
				L	S	R				L	S	R
			budget signatories as recommended by the internal audit report.									
Civic dignitary personal injury	Civic dignitary sustains an injury in the course of carrying out Civic duties	Potential liability and claim against the Charter Trustees and reputational damage	In order to ensure the personal safety of Civic dignitaries at engagements and events all appropriate arrangements would be put in place with the event organisers in consultation with the Civic Team	1	1	2	Neither the Mayor nor former Mayors have raised any concerns in respect of further measures being required. No further action has been identified. Confirmation of adequate Public Liability Insurance and provision of first aid training for Civic Team colleagues	November 2020	Deputy Head of Democratic Service	1	1	1
Transmission of Covid-19 infection	Exposure of civic dignitaries and civic team to the virus	Increase risk of spreading the virus on a local basis	In order to comply with current Government guidance all engagements will cease and alternative options such as undertaking engagements virtually are considered	2	2	4	All civic events, invitations and engagements will be subject to thorough risk assessment to evaluate the risk posed to the civic dignitary and civic team, in compliance with national and local guidance	Ongoing	Civic Team Leaders	2	2	4

Risk	Risk Cause	Risk Impact	Current Measures in Place	Gross Risk Score			Further Action/Mitigation Controls Required	Control/Action Target Date	Person responsible	Target Risk Score		
				L	S	R				L	S	R
Budget	The trustees make decisions which are not financially viable	Budgets are excessive, causing superfluous cost to taxpayers, or insufficient, meaning the Trustees cannot carry out their desired functions	The Charter Trustees are only required to meet twice plus the AGM. The other meetings include the budget setting and projected out - turn	2	2	4	Charter Trustee budget workshop to be established	Ongoing	Deputy Head of Democratic Service	1	2	2
Health and safety	Lone working	Risk of injury, illness, death and/or intimidation	None	3	3	9	In accordance with their role as a BCP Councillor, to adopt the health and safety policies of the parent council	Ongoing	Deputy Head of Democratic Services	3	2	6
Equality and diversity	Failure to comply with the law	Reputational damage	None	1	3	3	In accordance with their role as a BCP Councillor, compliance with the equality and diversity legislation of the parent council	Ongoing	Deputy Head of Democratic Services	1	1	1

Risk	Risk Cause	Risk Impact	Current Measures in Place	Gross Risk Score			Further Action/Mitigation Controls Required	Control/Action Target Date	Person responsible	Target Risk Score		
				L	S	R				L	S	R

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