

AUDIT AND GOVERNANCE COMMITTEE



Report subject	Financial Regulations - Annual evolution for the financial year 2026/27
Meeting date	26 February 2026
Status	Public Report
Executive summary	<p>Evolutionary changes to the Council's Financial Regulations are summarised in this report and shown in red text throughout the Financial Regulations document which is shown at Appendix A.</p> <p>No material changes have been made to Part A to F, and H, and Appendices of Financial Regulations.</p> <p>Some very minor changes have been made in the glossary of terms.</p> <p>More substantial changes were made last year to reflect procurement regulations reform. This year, in some cases throughout Part G there has been a need to refine wording to make regulations more explicitly clear to clarify Financial Regulations requirements.</p>
Recommendations	<p>It is RECOMMENDED that Audit & Governance Committee:</p> <p>Approve the Financial Regulations as shown in Appendix A before referral to Council for adoption. The operational go live date will be 1 April 2026.</p>
Reason for recommendations	The Council's Financial Regulations are subject to annual evolution to align to the start of each financial year, or as close as is reasonably possible subject to how Council meetings fall.
Portfolio Holder(s):	Cllr Mike Cox, Portfolio Holder for Finance
Corporate Director	Aidan Dunn, Chief Executive
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Wards	Council-wide
Classification	For Recommendation Approval

Background

1. BCP Council's Financial Regulations currently form Part 5 of The Constitution.
2. Council agreed that the Financial Regulations (the Regulations) will be subject to a business as usual 'annual evolution' so they remain up-to-date and receptive to the rapidly changing internal and external environment in which the Council operates. Such 'annual evolution' will be approved by Council.
3. As far as is practical, subject to when (full) Council meetings fall, the evolution of the Regulations will align to as close to the start of the financial year as possible. For 2026/27 (full) Council meets on 24 March 2026 so this evolution of Financial Regulations will be operationally live from 1 April 2026.
4. Evolutionary changes are show in red text; this method transparently highlights the changes and negates the need for a page turn comparison to find out what has changed. Only the latest evolution is shown in red text, changes from previous year revert to standard black text.
5. BCP Council colleagues are now generally well versed in the annual evolution of Financial Regulations. Nevertheless a communication, training and awareness process will take place to ensure all colleagues, and particularly new colleagues, are aware of the annual evolution.
6. The Chief Finance Officer (CFO) is responsible for maintaining and updating the Regulations and the Corporate Schedule of Financial Delegations, which is Appendix 1 of the Regulations. The CFO has delegated authority from Council to make in-year amendments and editing changes which may be occasionally necessary, such as in cases of new or revised legislation or UK law or to correct errors, ambiguity or where unintended interpretation matters arise. This delegation will also be used if any officer designations (job or role names) need changing, for example as a result of any restructuring, most likely within Appendix 1.
7. This annual evolution is formally known as BCP Financial Regulations EVO26.v1, where 26 stands for the financial year and v1 stands for the version agreed by Council. If the CFO makes any delegated amendments as per paragraph 5 above then this will be shown as v2, v3 and so on, as required.

Changes in BCP Financial Regulations EVO26.v1 – Part A to F, and H, Glossary and Appendices

8. No material changes have been made to these sections of Financial Regulations. Some very minor changes have been made in the glossary of terms.
9. Part A regulation 4, the sentence:
Wholly owned companies of BCP Council will adhere to the Regulations unless exceptions are agreed by their respective Boards.

Has been replaced with:

Wholly owned companies of BCP Council will adhere to the Regulations unless exceptions are agreed by the Council at the time of company set-up.

Changes in BCP Financial Regulations EVO26.v1 - Part G PROCUREMENT & CONTRACT PROCEDURES changes

10. More substantial changes were made last year to reflect procurement regulations reform. This year, in some cases throughout Part G there has been a need to refine wording to make regulations more explicitly clear to clarify Financial Regulations requirements.
11. The list of bullet points below summarises the changes to Part G:

- 2a – requirement to follow any corporate ‘expenditure control’ instructions.
- 2e – add the relevant procurement act (PA23).
- 5a(ii) – explicitly state, using wording from the Act, what is defined as ‘technical reasons’ (for not following standard competition requirements).
- 18c – add PSR (provider selection regime) procurement activity to the list of contracts that 18c does not apply to.
- 18d – Specifications should focus on outcomes to encourage flexibility and innovation in the approach taken by suppliers.
- 28 and 29 – Contract completion section re-write to make regulations more explicitly clear and to enable compliance with statutory ‘Contract details’ notice requirements.
- 32d – added, to enable compliance with statutory ‘contract performance’ notice requirements.
- 33 – Contract changes – a number of wording changes to make regulations explicitly clearer.
- 34 – Termination and exit plan - a number of changes to make regulations explicitly clearer including a list of regulation requirements.

BCP Council Debt Management Policy

12. The Financial Regulations, Part F, Financial Systems and Procedures, Income, provides the strategic framework for debt collection and debt management within BCP Council. The BCP Debt Management Policy contains the operational detail and procedures to supplement the Regulations.
13. This detailed operational policy is also subject to annual evolution to ensure it remains up-to-date and is approved by the Corporate Management Board for the 2026/27 financial year. Some very minor operational changes have been made.

Options Appraisal

14. The Council could choose to evolve the Financial Regulations on a less frequent basis than annually. There is an inherent and obvious risk with such an approach that the Financial Regulations could become out of date and fail to keep pace with the rapidly changing internal and external environment in which the Council operates.

Summary of financial implications

15. The Financial Regulations provide the governance framework for managing the Council’s financial affairs. ‘How to’ guidance and procedures are in place to compliment the specific requirements of the Regulations.

Summary of legal implications

16. The Financial Regulations are Part 5 of the Council's Constitution and apply to every councillor and officer acting behalf of the Council.
17. The Local Government Act 1972 (Section 151) makes the Chief Finance Officer responsible for the proper administration of the Council's financial affairs. The Regulations are issued pursuant to these responsibilities.

Summary of human resources implications

18. The Financial Regulations apply to every councillor and officer acting for or on behalf of the Council.

Summary of sustainability impact

19. Part G of the Financial Regulations includes requirements for commissioning officers and the Strategic Procurement Team (SPT) to follow to ensure the Council considers environmental sustainability when procuring works, goods and services.
20. A requirement to obtain local supplier quotes wherever possible is included in Financial Regulations in Part G regulation 22.

Summary of public health implications

21. There are no direct public health implications from this report.

Summary of equality implications

22. There are no direct equality implications from this report.

Summary of risk assessment

23. Lack of compliance and awareness is the most significant and impactful risk in a Financial Regulations context. A continuous and evolving training, supporting and promoting programme exist utilising a range of activities including formal training, one-off bespoke awareness sessions, blogs and staff communications.

Background papers

None

Appendices

Appendix A - BCP Financial Regulations EVO26.v1