**STOKE NORTH BIG LOCAL PARTNERSHIP**

**FINANCIAL PROCEDURES**

**PURCHASING PROCEDURE**

**This procedure should be brought to the attention of new Stoke North Big Local (SNBL) Partnership Members as part of their induction process. This procedure should be read in the context of SNBL’s Partnership Terms of Reference and Financial Policy / Regulations.**

**Purpose**

The Finance Sub-group has been set up to enable the Partnership to control and monitor spending against the SNBL Plan delivery, by scrutinising and reporting to the Partnership, the progress of finances against the SNBL Plan and its associated budget. The sub-group will work with the Partnership and other sub-groups to achieve its aims.

The main aims are: -

1. To develop the understanding of the financial procurement and spend monitoring of the SNBL Partnership.
2. To make sure that the LTO makes timely and understandable financial reports to the SNBL Partnership in terms of overall budget spend and spending on individual themes/projects so the SNBL Partnership can see where the money is going
3. To make sure that the allocation of Big Local funds and procurement takes place in accordance with the SNBL Plan, in a fair, equitable and transparent manner and that conflict of interest in financial processes are managed.
4. To assign and monitor the planned budget to sub-groups and individual projects as required and authorised by the SNBL Partnership. To monitor their spend on a monthly / quarterly basis.
5. To report to the SNBL Partnership Monthly / Quarterly the funding of each sub-group / Project in a standard agreed format.
6. To assist sub-groups / Projects to build Business Case’s, obtain quotes and manage the procurement process aided by the LTO.
7. Assist the LTO with funding applications for the SNBL Partnership, associated RA’s and groups.

**Initial Sub-Group Members are: -**

Pamela Heraty, Fegg Hayes. Chair

Jim Gibson, Chell Heath.

Nigel Brown, Chell

Nicky Twemlow, LTO Accounts

Jackie Warburton, SNBL Administrator, Mark Roberts, SNBL Community Development Coordinator

**The Process**

1. The SNBL Partnership agrees the Stoke North Big Local Plan and, therefore, the annual Budget.
2. The Budget is submitted to Local Trust and reviewed every 6 months
3. Once the Budget is approved, the Local Trust can release funds to the SNBL Partnership Account on a half yearly basis subject to receiving a completed financial return / spend report for the previous six months
4. The Local Trust will not retrospectively fund any spending that takes place before the Budget is approved.
5. The SNBL Plan contains several themes. A Sub Group will be delegated responsibility by the SNBL Partnership for individual themes or major projects, such as the Skate Park. They will then be responsible for the theme / project allocated budget, control and monitoring of their work. They are responsible for the spending on their themes. The Sub Group membership, budget and spending constraints shall be decided by the SNBL Partnership, monitored by the Finance Sub-group and be minuted.
6. The Finance Sub Group will, on behalf of the SNBL Partnership, work with the LTO to obtain suppliers to quote for specific products or services. Any SNBL Partnership members who are themselves, or who work for, potential suppliers, must not take part in any discussions about the selection of any supplier they have an involvement with. The LTO will run the selection process and provide the required documentation for the process and outcome. This will be monitored by the Finance Sub Group who will report the outcome to the SNBL Partnership and the originating Sub Group.
7. The SNBL Partnership will assign budgets to each Sub Group for their themes / projects.  
   The Sub Groups will request new budgetary items or changes to budgets from the Finance Sub Group. The later will review and pass recommendations to the SNBL Partnership for final decision. The Finance Sub Group will monitor and progress these items and report back to the originating subgroups.
8. For all purchases under £1,000 (with no individual item being more than £250), the purchasing decision must be taken by at least 3 un-related partners of the Sub Group. There must be a written minute of the Sub Groups decision which needs to show the date; who was involved in the decision; the item / service being bought; the reason for the supplier being chosen; and the method by which the contract will be monitored. These items must be within an agreed budget. The Finance Sub Group will monitor this spending and report on it to the SNBL Partnership.
9. If the cost (including VAT) of a required product or service in any year will exceed £1,000, then a minimum of three quotations should be obtained via the LTO. The purchasing decision must be taken by at least 3 un-related partners of the Finance Sub Group. There must be a written minute of the Finance Sub Group decision to show the date; who was involved in the decision; the item / service being bought; the reason for the supplier being chosen; and the method by which the contract will be monitored. The Finance Sub Group will monitor this spending and report on it to the SNBL Partnership.
10. Where the cost, including VAT, is likely to exceed £5,000, then a formal tendering process will be used by the LTO and Finance Sub Group. The LTO / Finance Sub Group will review the submitted tenders and will produce a report with a recommendation to the next SNBL Partnership meeting. This recommendation must be made by at least 3 un-related partners and a minute of the decision must contain the same details as 6 above. The Finance Sub Group will monitor this spending and report on it to the SNBL Partnership.
11. Once a supplier has been selected, there must be a LTO Service Level Agreement (SLA) or contract. These will be issued and signed by the current LTO on behalf of the SNBL Partnership.
12. The LTO will sign a contract or SLA when it is satisfied that: -
    * the proposal is consistent with the agreed SNBL Plan,
    * there are enough funds in the Budget,
    * there is a clear minuted decision of the Sub Group and SNBL Partnership,
    * financial regulations have been followed,
    * the contract does not involve unreasonable risk, (that risks have been considered and assessed by the SNBL Partnership)
    * there is a monitoring process in place.
    * VAT has been allowed for in the works and is clearly specified
13. The supplier shows it has necessary insurance and safeguarding, and Health and Safety procedures are in place.
14. It is the responsibility of the SNBL Partnership to ensure that all the points in 9 above have been covered and that appropriate consultation with the LTO, at an appropriate time, has taken place.
15. Where the LTO identifies any significant issues such as health and safety / illegal / significant risk making it unwilling to proceed with a purchase, it will inform all relevant partners as soon as possible. This is a SNBL Partnership decision – there are only certain circumstances where an LTO can refuse this – ie breaking the law – serious H & S breach, conflict of interest.
16. The operation of any contract will be monitored through a pre-agreed process. This will be recommended by the Finance Sub Group to the SNBL Partnership when the purchasing decision is made.
17. Petty cash. The SNBL Administrator is authorised to make payments of up to £250 without requiring additional approval.
18. All purchases will be validated with a receipt, countersigned by the LTO Finance Department and set against the relevant budget.
19. The LTO will be responsible for the SNBL Partnership Bank Account and will operate a simple accounts system to enable monthly reporting to the Finance Sub Group / SNBL Partnership.
20. All monies received will be recorded promptly and banked without delay. The LTO will ensure the SNBL Bank Account is fully up to date at the end of each month.
21. All withdrawals require any two signatures from the SNBL Administrator / LTO agreed un-related signatories.
22. Expenditure will be reimbursed to individuals providing: -
    * Fares are evidenced by tickets
    * Other expenditure is evidenced by original receipts
    * Car Mileage is based on a partnership agreed rate of 45p/mile.
23. The Finance Sub Group will monitor spending against budgets and report to the Sub Groups / SNBL Partnership. This reporting is intended to keep all SNBL members fully informed of the latest financial position on a monthly / quarterly basis.  
    The monitoring will consist of :-  
      
     **Monthly**
    1. requests for new budgetary items
    2. requests for budget modifications
    3. Spend for previous month against budgeted items for each sub group
    4. Expenses paid
    5. Grants   
         
       **Quarterly (as above plus)**
    6. Spend against budget for each sub group
    7. Spend against budget for SNBL Partnership, YTD and total to 2026.
24. The Finance Sub Group will keep the working of these procedures under ongoing review and make recommendations to the Sub Groups / SNBL Partnership when required.