

PART 4

RULES OF PROCEDURE

Section 1	Standing Orders for Meetings
Section 2	Access to Information Procedure Rules
Section 3	Budget and Policy Framework Procedure Rules
Section 4	Cabinet Procedure Rules
Section 5	Overview and Scrutiny Procedure Rules
Section 6	Financial Procedure Rules
Section 7	Contract Procedure Rules
Section 8	Employment Procedure Rules
Section 9	Recommended Periods for the Retention of Documents

PART 4 - SECTION 1 – STANDING ORDERS FOR MEETINGS

CONTENTS

Rule

1. Annual meeting of the Council
2. Ordinary meetings
3. Election of Leader of the Council
4. Vote of No Confidence in the Leader of the Council
5. Extraordinary meetings
6. Time and place of meetings
7. Notice of and summons to meetings
8. Chairman of meeting
9. Quorum
10. Duration of meeting
11. Questions by members
12. Report of the Leader of the Council
13. Motions on notice
14. Motions without notice
15. Rules of debate
16. Voting
17. Minutes
18. Record of attendance
19. Exclusion of public
20. Councillors conduct
21. Disturbance by public
22. Suspension and amendment of Council Procedure Rules

23. Delegation
24. Substitute Members
25. Reports of Officers
26. Urgent Action
27. Interests of Councillors in Contracts and Other Matters
28. Interest of Employees and Councillors in Contacts etc,
29. Procedure Rules to be given to Councillors
30. Inspection of documents
31. Inspection of land, premises etc. by Councillors
32. Application to Committees and Sub-Committees
33. Determination of Planning Applications by the Planning Committee contrary to officer recommendations

1.0 ANNUAL MEETING OF THE COUNCIL

In a year when there is an ordinary election of councillors, the annual meeting will take place within 21 days of the retirement of the outgoing councillors. In any other year, the annual meeting will take place in May.

The Annual Meeting will:

- (i) elect a person to preside if the Chairman and Vice-Chairman of Council are not present;
- (ii) consider priority business;
- (iii) elect the Chairman of the Council;
- (iv) elect the Vice-Chairman of the Council;
- (v) approve the minutes of the last meeting;
- (vi) receive any apologies for non-attendance;
- (vii) receive any declarations of interest;
- (viii) at its first post election Annual Meeting, appoint a Leader of the Council for a term of office expiring at the next post election annual meeting (unless resigned, removed or disqualified from office in accordance with the Constitution);
- (ix) following his/her election the duly elected Leader of the Council shall assume the full powers of the Leader and will appoint a Deputy Leader of the Council who, in their absence or following a vote of no confidence (see paragraph 4.0 of this Article) will act as Leader, and advise the Council of the members he/she intends to appoint to the Cabinet;
- (x) appoint the Strategic Overview and Scrutiny Committee, the Audit and Member Standards Committee, the Planning Committee, the Employment Committee, the Regulatory and Licensing Committee, other Overview and Scrutiny Committees and such other committees as the Council considers appropriate to deal with matters which are not reserved to the Council and are not Cabinet functions (as set out in Part 3 of this Constitution);
- (xi) agree the scheme of delegation for those matters not reserved to the Council and are not Cabinet functions (as set out in Part 3 of this Constitution);
- (xii) consider any business set out in the notice convening the meeting; and

(xiii) receive any announcements from the Chairman.

1.1 Selection of Councillors on Committees and Outside Bodies

At the annual meeting, the Council will:

- (i) decide which committees and sub-committees to establish for the municipal year;
- (ii) decide the size and terms of reference for those committees;
- (iii) decide the allocation of seats to political groups in accordance with the political balance rules;
- (iv) receive nominations of councillors to serve on each committee and outside body; and
- (v) appoint the Chairman, Vice-Chairman and members to committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the Cabinet.

2.0 ORDINARY MEETINGS

Ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. Ordinary meetings will:

- (i) elect a person to preside if the Chairman and Vice-Chairman are not present;
- (ii) consider priority business;
- (iii) approve the minutes of the last meeting;
- (iv) apologies for absence;
- (v) receive any declarations of interest from members;
- (vi) questions pursuant to Council Procedure Rule 11.4;

- (vii) receive a report from the Leader of the Council and receive questions and answers thereon in accordance with Council Procedure Rule 11;
- (viii) receive reports from the Cabinet and statutory officers and receive questions and answers on any of those reports;
- (ix) receive minutes from the Council's Committees and receive questions and answers on any of those minutes;

- (x) consider motions;
- (xi) consider any other business specified in the summons to the meeting, including consideration of proposals from the Cabinet in relation to the Council's budget and policy framework and reports of the scrutiny committees for debate;
- (xii) receive the Chairman's announcements.

3.0 ELECTION OF LEADER OF THE COUNCIL

3.1 The Monitoring Officer will conduct the vote for the election of the Leader of the Council in accordance with the following procedure:

- (i) each member present at the time will have one vote;
- (ii) the vote will be taken by way of a named vote (roll call) and recorded in the minutes;
- (iii) the Monitoring Officer will call out the name of each nominated person in alphabetical order and invite Members to vote according to their preference; alternatively they may, if they wish, abstain;
- (iv) at the conclusion of the vote the Monitoring Officer will announce the number of votes cast for each nominated person. If any one nominated person receives an overall majority of the votes cast (abstentions will not be counted), they will be declared the winner and be elected as the Leader of the Council;
- (v) if no one nominated person receives an overall majority of the votes cast, then the nominated person receiving the least number of votes will be eliminated;
- (vi) the Monitoring Officer will then invite further round(s) of voting as necessary in accordance with the procedures set out in paragraphs 3.1 (i) to 3.1 (v) above until one nominated person receives an overall majority, for which any abstentions will not be counted;
- (vii) any member not present at the start of the first vote (iii) will not be entitled to a vote at a later round (vi) even if they have joined the meeting by that stage.

3.2 Paragraphs (ii) and (iii) will be waived if only one nomination is made. Voting will then be by a show of hands.

4.0 VOTE OF NO CONFIDENCE IN THE LEADER OF THE COUNCIL

- 4.1** Any motion of no confidence in the Leader of the Council must be received by the Chief Executive by no later than 10 clear working days before the meeting of the Council to which it is to be submitted. The motion must be signed by at least 15 members of the Council and must set out the reasons why the signatories have concluded that a vote of no confidence in the Leader is required.
- 4.2** The motion will be listed first on the agenda.
- 4.3** No amendments to a motion calling for a vote of no-confidence motion in the Leader of the Council will be allowed.
- 4.4** Each member present at the time will have one vote.
- 4.5** Voting will be by way of a named vote (roll call) recorded in the minutes.
- 4.6** In order to carry the motion, at least two thirds overall majority of those members present will be required.
- 4.7** In the event of the motion being carried, the Deputy Leader of the Council will assume the full powers of the Leader of the Council until a new Leader of the Council is appointed by the Council.

5.0 CALLING EXTRAORDINARY MEETINGS

- 5.1** Those listed below may request the Chief Executive to call Council meetings in addition to ordinary meetings:
- (i) the Council by resolution;
 - (ii) the Chairman of the Council;
 - (iii) the Monitoring Officer;
 - (iv) any five members of the Council if they have signed a requisition presented to the Chairman of the Council and he/she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

6.0 TIME AND PLACE OF MEETINGS

- 6.1** The time and place of meetings will be determined by the Chief Executive and notified in the summons.

7.0 NOTICE OF AND SUMMONS TO MEETINGS

7.1 The Chief Executive (in the case of Full Council meetings) or the Director of Transformation and Resources will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the Chief Executive (for Full Council meeting) or the Director of Transformation and Resources will send a summons signed by him or her to every councillor. The summons will give the date, time and place of the meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

8.0 CHAIRMAN OF MEETING

8.1 The person presiding at the meeting may exercise any power or duty of the Chairman. Where these rules apply to committee and sub-committee meetings, references to the Chairman also include the Chairman of committees and sub-committees.

9.0 QUORUM

9.1 The quorum of a meeting will be the whole number immediately greater than or equal to one quarter of the whole number of members or 3 whichever is the greater. See also Rule 32 (c) in relation to Committees and Sub-Committees. During any meeting if the Chairman counts the number of members present and declares there is not a quorum present, the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

10.0 DURATION OF MEETING

10.1 Unless the majority of councillors present vote for the meeting to continue, any meeting shall stand adjourned after three hours provided that, if there is a quorum present and in the opinion of the Chairman the matters remaining to be considered are either of such importance that it's in the interest of the Council that the consideration thereof should then take place or that the extension of time required is minimal, councillors may consent to the continuation of the meeting. Remaining business will be considered at a time and date fixed by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

11.0 QUESTIONS BY MEMBERS

11.1 On Reports of the Cabinet or Committees

A member of the Council may ask the Leader or appropriate Cabinet Member or the Chairman of a Committee any question without notice upon an item of the report of the Cabinet or by a Committee when that item is being received or under consideration (including debate) by the Council.

11.2 Questions on Notice at Full Council

Subject to Rule 11.4, a Councillor may ask:

- the Chairman;
- a member of the Cabinet;
- the Chairman of any committee, sub-committee or panel;

a question on any matter in relation to which the Council has powers or duties or which affects the District of Lichfield.

11.3 Questions on notice at Committees and Sub-committees

Subject to Rule 11.4, a member of a committee or sub-committee may ask the Chairman of it a question on any matter in relation to which the Council has powers or duties or which affect the District of Lichfield and which falls within the terms of reference of that committee or sub-committee.

11.4 Notice of questions

A member may only ask a question under Rule 11.2 or 11.3 if either:

- (a) it is received by 12 noon at least two working days' prior to the meeting in writing or by email of the question to the Chief Executive; or
- (b) the question relates to urgent matters, they have the consent of the Cabinet Member/Chairman to whom the question is to be put, and the content of the question is given to the Chief Executive by 10.00 a.m. on the day of the meeting. Every question shall be put and answered without discussion but the person to whom the question has been put may decline to answer.

The Chief Executive may reject a question if it:

- (a) is not about a matter for which the Council has a responsibility or which affects the District;
- (b) is defamatory, frivolous or offensive;
- (c) is substantially the same as a question which has been put at a meeting of the Council in the past six months;
- (d) requires the disclosure of confidential or exempt information.

11.5 Response

An answer maybe:

- (a) in writing or a direct oral answer;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given at the meeting, a written answer circulated to the questioner.

11.6 Supplementary Question

A member having given notice of a question under Procedure Rule 11.2 and having received a reply under paragraph 11.5 may ask one supplementary question on the point of the original question. The response to the supplementary question shall be made in accordance with Procedure Rule 11.5.

11.7 No debate on questions

There shall be no debate on a question submitted under Procedure Rule 11.2 or on a supplementary question under Procedure Rule 11.6. A questioner may request that the matter under question be referred to the appropriate committee or sub-committee, if such a request is made the Chairman will ask for a seconder to the proposal; the seconder will have no right to speak on the proposal. The Member responding to the question shall have the right to comment on the proposed referral. The question will then be put to the vote without further debate.

11.8 A member may not submit a question under Council Procedure Rule 11 relating to an individual determination made by the Planning; Regulatory and Licensing; or Audit and Member Standards Committees or any sub-committee thereof, or taken under powers delegated therefrom.

12.0 REPORT OF THE LEADER OF THE COUNCIL

12.1 The Leader of the Council shall at each ordinary meeting of the Council submit a report on the work of the Cabinet and shall be open to question thereon.

12.2 The Leader of the Council may invite (a) representative(s) of a partner organisation(s) to address the Council in respect of any matters referred to in the Leader's report relating to partnership working between the Council and the organisation(s).

12.3 A member of the Council may, at the discretion of the Chairman, ask the Leader of the Council a question relating to a matter referred to in the Leader's report to Council and may, after having the response from the Leader (or at the Leader's discretion the relevant Cabinet Member, or representative of a partner organisation) ask one supplementary question on the point of the original question.

12.4 A member of the Council may question the Leader once (with the provision for a supplementary question) on each item in the Leader's report.

12.5 An answer by the Leader of the Council may take the form of:

- (a) a direct oral answer by the Leader of the Council;
- (b) a direct oral answer by a Cabinet Member with responsibility for the matter subject to question;
- (c) a direct oral answer from a representative of a partner organisation invited by the Leader of the Council to respond;
- (d) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (e) where the reply cannot conveniently be given orally, a written answer circulated to the questioner.

12.6 There shall be no debate on a question submitted under Procedure Rule 12.3. A questioner may request that the matter under question be referred to the Cabinet or appropriate committee or sub-committee, if such a request is made the Chairman will ask for a seconder to the proposal, the seconder will have no right to speak on the proposal; the Member of the Council, in responding to the question shall have the right to comment on the proposed referral. The question will then be put to the vote without further debate.

13.0 MOTIONS ON NOTICE

13.1 Notice

Except for motions which can be moved without notice under Rule 14, written notice of every motion, signed by a councillor, must be delivered to the Chief Executive not later than six clear days before the date of the meeting. These will be entered in a book open to public inspection and maintained by the Monitoring Officer.

The Chief Executive may reject a motion if it:

- (i) is not about a matter for which the Council has a responsibility or which affects the District;
- (ii) is defamatory, frivolous or offensive;
- (iii) is substantially the same as a motion which has been put at a meeting of the Council in the past six months;
- (iv) requires the disclosure of confidential or exempt information.

13.2 Motion set out in agenda

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the councillor giving notice states, in writing, that they propose to move it at a later meeting or withdraw it.

13.3 Scope

Motions must be about matters for which the Council has a responsibility or which affect the District of Lichfield.

13.4 Motions not moved

If a motion set out in the summons is not moved either by a councillor who gave notice thereof or by some other councillor on his/her behalf it shall be treated as withdrawn and shall not be moved without fresh notice.

13.5 Automatic reference to committee

If the subject matter of any motion of which notice has been duly given comes within the province of the Cabinet or any committee or sub-committee it shall, upon being moved and seconded, stand referred without discussion to the Cabinet or such committee or sub-committees, or to such other committee or sub-committee as the Council may determine, for consideration and report: provided that the Chairman may, if he/she considers it convenient and conducive to the despatch of business, allow the motion to be dealt with at the meeting at which it is brought forward.

14.0 MOTIONS WITHOUT NOTICE

The following motions may be moved without notice:

- (a) to appoint a Chairman of the meeting at which the motion is moved;
- (b) in relation to the accuracy of the minutes;
- (c) to change the order of business in the agenda;
- (d) to refer something to an appropriate body or individual;
- (e) to appoint a committee or member arising from an item on the summons for the meeting;
- (f) to receive reports or adoption of recommendations of the Cabinet or committees or officers and any resolutions following from them;
- (g) to withdraw a motion;
- (h) to extend the time limit for a speech;

- (i) to amend a motion;
- (j) to proceed to the next business;
- (k) that the question be now put;
- (l) to adjourn a debate;
- (m) to adjourn a meeting;
- (n) that the meeting continue beyond 3 hours in duration;
- (o) to take a named vote under Procedure Rule 16.4;
- (p) to suspend a particular Council Procedure rule;
- (q) to exclude the public and press in accordance with the Access to Information Rules;
- (r) to not hear further a councillor named under Rule 20.3 or to exclude them from the meeting under Rule 20.4; and
- (s) to give the consent of the Council where its consent is required by this Constitution.

15.0 RULES OF DEBATE

15.1 No speeches until motion seconded

No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

15.2 Right to require motion in writing

Unless notice of the motion has already been given, the Chairman may require it to be written down and handed to him/her before it is discussed.

15.3 Secunder's speech

When seconding a motion or amendment, a councillor may reserve their speech until later in the debate.

15.4 Content and length of speeches

Speeches must be directed to the question under discussion or to a point of order or personal explanation. No speech may exceed 10 minutes without the consent of the Chairman.

15.5 Only one councillor to stand at a time

A councillor when speaking shall stand, if they are able to do so, and address the Chairman. If two or more councillors rise, the Chairman shall call on one to speak; the other or others shall then sit. While a councillor is speaking the other councillors shall remain seated, unless rising to a point of order or personal explanation.

15.6 When a councillor may speak again

A councillor who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- (a) to speak once on an amendment moved by another councillor;
- (b) to move a further amendment if the motion has been amended since he/she last spoke;
- (c) if his/her first speech was on an amendment moved by another councillor, to speak on the main issue (whether or not the amendment on which he/she spoke was carried);
- (d) in exercise of a right of reply;
- (e) on a point of order or a personal explanation;
- (f) in accordance with Council Procedure Rules 12.3 and 12.4;
- (g) where a Councillor wishes to put forward a factual correction.

A councillor may speak more than once to ask questions of a Cabinet member or officer who is attending any Overview and Scrutiny Committee, save that when the Committee formally moves to debate the matter before it, the procedure set out above shall apply.

15.7 Amendments to motions

- (a) An amendment to a motion must be relevant to the motion and will either be:
 - (i) to refer the matter to an appropriate body or individual for consideration or reconsideration;
 - ;
 - (ii) to leave out words and/or insert and/or add others;as long as the effect of (ii) is not to negate the motion.

- (b) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.
- (c) If an amendment is not carried, other amendments to the original motion may be moved.
- (d) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- (e) After an amendment has been carried, the Chairman will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

15.8 Alteration of motion

- (a) A councillor may alter a motion of which he/she has given notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- (b) A councillor may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- (c) Only alterations which could be made as an amendment under Procedure Rule 15.7 may be made.

15.9 Withdrawal of motion

A councillor may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No councillor may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

15.10 Right of reply

- (a) The mover of a motion has a right to reply at the end of the debate on the motion immediately before it is put to the vote.
- (b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- (c) The mover of the amendment has no right of reply to the debate on his or her amendment.
- (d) A right of reply having been exercised, the question shall immediately be put to the meeting by the Chairman.

15.11 Motions which may be moved during debate

When a motion is under debate, no other motion may be moved except the following procedural motions:

- (a) to withdraw a motion;
- (b) to amend a motion;
- (c) to proceed to the next business;
- (d) that the question be now put;
- (e) to adjourn a debate;
- (f) to adjourn a meeting;
- (g) that the meeting continue beyond 3 hours in duration;
- (h) to exclude the public and press in accordance with the Access to Information Rules;
- (i) to not hear further a member named under Procedure Rule 20.3 or to exclude them from the meeting under Rule 20.4;
- (j) a requisition for a named vote under Procedure Rule 16.4.

15.12 Closure motions

- (a) A member may move, without comment, the following motions at the end of a speech of another councillor:
 - (i) to proceed to the next business;
 - (ii) that the question be now put;
 - (iii) to adjourn a debate; or
 - (iv) to adjourn a meeting.
- (b) If a motion to proceed to next business is seconded and the Chairman thinks the item has been sufficiently discussed, he or she will give the mover of the original motion a right of reply and then put the procedural motion to the vote without further debate or discussion.
- (c) If a motion that the question be now put is seconded and the Chairman thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote without further debate or discussion. If it is passed

he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.

- (d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chairman thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the mover of the original motion the right of reply and without further debate or discussion.

15.13 Point of Order and Personal Explanation

A point of order is a request from a councillor to the Chairman to rule on an alleged irregularity in the procedure of the meeting. A councillor may raise a point of order at any time. The Chairman will hear them immediately. A point of order may only relate to an alleged breach of the Council Rules of Procedure or the law. The councillor must indicate the rule or law and the way in which he/she considers it has been broken without which the alleged breach shall be disregarded. The ruling of the Chairman on the matter will be final and shall not be open to debate.

A councillor may rise to give a personal explanation at any time and will be heard immediately. A personal explanation must be confined to some material part of a former speech either by or relating to the Member, at the same meeting which may have been misunderstood. The ruling of the Chairman on the matter will be final and shall not be open to debate.

15.14 Motions affecting persons employed by the Council

If any question arises at a meeting of the Council (or of the Cabinet, a committee or a sub-committee) to which Section 100(A) of the Local Government Act 1972 applies as it relates to the appointment, promotion, dismissal, salary, superannuation or conditions of service, or the conduct of any person employed by the Council, such question shall not be subject of discussion until the Council, Cabinet, or relevant committee or sub-committee as the case may be, has decided whether or not the power of exclusion of the public under Section 100(A) of the Local Government Act 1972 shall be exercised.

15.15 Councillor with a Disclosable Pecuniary Interest

Where a Councillor has a Disclosable Pecuniary Interest in a matter to be considered at a meeting, the Councillor may attend the meeting when it considers the item only for the purposes of making representations, answering questions or giving evidence relating to the matter, provided that the public are also allowed to attend the meeting for the same purpose whether under a statutory right or otherwise. Once the Councillor has made these representations or the meeting considers that the Councillor has concluded making representations, the Councillor must leave the room during the discussion or vote on the matter.

16.0 VOTING

16.1 Majority

Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those councillors voting and present in the room at the time the question was put. Only those councillors who have been present for the entirety of the debate on the item in question are entitled to vote.

16.2 Chairman's casting vote

If there are equal numbers of votes for and against, the Chairman will have a second or casting vote. There will be no restriction on how the Chairman chooses to exercise a casting vote.

16.3 Method of Voting

Unless this Constitution provides otherwise, or a named vote is demanded under Rule 16.4, the Chairman will take the vote by show of hands or, if there is no dissent, by the affirmation of the meeting.

16.4 Named vote

There shall be a named (or roll-call) vote if:

- (a) the majority of Councillors present at the meeting demand it or the Leader of the Principal Opposition Party demands it,
- (b) The law so requires it, including in relation to the adoption of the annual budget for the Council and the setting of the Council Tax

Where there is a named vote the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

16.5 Right to require individual vote to be recorded

Where any Councillor requests it immediately after the vote is taken, their vote will be so recorded in the minutes to show whether they voted for or against the motion or abstained from voting.

16.6 Voting on appointments

If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

17.0 MINUTES

17.1 Signing the minutes

The Chairman will sign the minutes of the proceedings at the next suitable meeting. The Chairman will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

17.2 Contents of Minutes

Minutes of meetings of the Council shall record the proposal (including any amendment) moved, duly seconded and adopted by the Council.

17.3 No requirement to sign minutes of previous meeting at extraordinary meeting

Where in relation to any meeting, the next meeting for the purpose of signing the minutes is a meeting called under paragraph 3 of schedule 12 to the Local Government Act 1972 (an Extraordinary Meeting), then the next following meeting (being a meeting called otherwise than under that paragraph) will be treated as a suitable meeting for the purposes of paragraph 41(1) and (2) of schedule 12 relating to signing of minutes.

17.4 Form of minutes

Minutes will contain all motions and amendments in the exact form and order the Chairman put them.

18.0 RECORD OF ATTENDANCE

All councillors present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting as a record of their attendance.

19.0 EXCLUSION OF PUBLIC

Members of the public and press may only be excluded either in accordance with the Access to Information Rules in Part 4 of this Constitution or Procedure Rule 20 (Disturbance by Public).

20.0 COUNCILLORS' CONDUCT

20.1 Standing to speak

When a councillor speaks at a Council meeting they must stand, if they are able to do so, and address the meeting through the Chairman. If more than one councillor stands, the Chairman will ask one to speak and the others must sit. Other councillors must remain seated whilst a councillor is speaking unless they wish to make a point of order or give a personal explanation.

20.2 Chairman standing

When the Chairman stands during a debate, any councillor speaking at the time must stop and sit down. The meeting must be silent.

20.3 Councillor not to be heard further

If a councillor persistently disregards the ruling of the Chairman by behaving improperly or offensively or deliberately obstructs business, either during their speech or at any point during the meeting, the Chairman may move that the councillor be not heard further. If seconded, the motion will be voted on without discussion. If the motion is carried the Councillor concerned may still vote on the matter under debate.

20.4 Councillor to leave the meeting

If the councillor continues to behave improperly after such a motion is carried, the Chairman may move that either the councillor leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

20.5 General disturbance

If there is a general disturbance making orderly business impossible, the Chairman may adjourn the meeting for as long as he/she thinks necessary.

21.0 DISTURBANCE BY PUBLIC

21.1 Removal of member of the public

If a member of the public interrupts proceedings, the Chairman will warn the person concerned. If they continue to interrupt, the Chairman will order their removal from the meeting room.

21.2 Clearance of part of meeting room

If there is a general disturbance in any part of the meeting room open to the public, the Chairman may call for that part to be cleared.

22.0 SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES

22.1 Suspension

All of these Council Rules of Procedure except Rule 13.5 and 15.3 may be suspended by motion on notice or without notice if at least one half of the whole number of councillors are present. Suspension can only be for the duration of the meeting.

22.2 Amendment

Any motion to add to, vary, or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

23.0 DELEGATION

Where there has been any delegation of a power duty or function to a committee, the committee, shall in turn be duly authorised to further delegate the same provided that such delegation does not contravene any other decision of the Council.

24.0 SUBSTITUTE MEMBERS

24.1 The substitution rules will not apply to meetings of the Cabinet or the Audit and Member Standards Committee.

24.2 Subject to any other restrictions elsewhere in the Constitution, any Member of the Council will be permitted to act as a substitute on a Council Body.

24.3 The Monitoring Officer may consider a request from a Member of a Council Body to appoint a substitute Member, providing that substitute Member is from the same political group.

24.4 In order to be eligible to sit as substitutes on regulatory or quasi-judicial committees or panels or staff appointments or disciplinary bodies established by the Council, Members must have received the required training in relevant procedures and the law.

24.5 Substitute Members will have all the powers and duties of any ordinary Member of the committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting.

24.6 Substitute Members may attend meetings in that capacity only:

- (i) to take the place of the ordinary Member for whom they are designated substitute;
- (ii) where the ordinary Member will be absent for the whole of the meeting;
- (iii) where the ordinary Member has notified the Monitoring Officer of the intended substitution by 10 am on the day of the relevant meeting.

25.0 REPORTS OF OFFICERS

(a) Every such report to the Cabinet or any committee or sub-committee shall be issued by the Director of Transformation and Resources to all councillors, or

to all members of the Cabinet, committee, or sub-committee, as the case may be, with the summons or agenda which provides for the consideration thereof, at least 5 working days before the date on which the meeting is to be held, or, exceptionally, as soon as practicable before the meeting.

- (b) All business to be discussed at meetings of the Cabinet or any committee or sub-committee shall be set out in the agenda or in a report thereto.
- (c) The Leader of the Council (or other Councillor presiding at a meeting of the Cabinet) and the Chairman of the appropriate committee shall be authorised to allow urgent business to be brought forward at the conclusion of the business set out on the agenda, provided a written report detailing the subject matter has been circulated to the councillors present at the commencement of the meeting and the reasons for the urgency given.

26.0 URGENT ACTION

The Chief Executive, in consultation with the Leader of the Council, relevant Cabinet Member, or the Chairman of the relevant committee, as appropriate, shall authorise any urgent action when it would be in the best interests of the Council to act prior to the appropriate Council or Committee meeting or prior to an executive decision being made; subject to such action being reported to the next meeting of the Council, the Cabinet or the committee.

27.0 INTERESTS OF COUNCILLORS IN CONTRACTS AND OTHER MATTERS

- (a) If any councillor has a Disclosable Pecuniary Interest in a matter as defined in the Code of Conduct (see Part 5 hereof) and attends a meeting at which the matter is considered the councillor shall disclose to the meeting the existence and nature of that interest at the commencement of that consideration or when the interest becomes apparent.
- (b) If any councillor has a Disclosable Pecuniary Interest in a matter as defined in the Code of Conduct (see Part 5 hereof) then that member shall:
 - (i) withdraw from the room where the meeting is being held whenever it becomes apparent that the matter is being considered at that meeting unless a dispensation has been obtained from the Audit and Member Standards Committee or has been granted by the Monitoring Officer in accordance with any delegated authority therefrom:
 - (ii) not exercise executive functions in relation to that matter; and
 - (iii) not seek improperly to influence a decision about that matter.

28.0 INTEREST OF EMPLOYEES AND COUNCILLORS IN CONTRACTS ETC

The Monitoring Officer shall record in a book to be kept for the purpose particulars of any notice given by an employee of the Council under section 117 of the Local

Government Act 1972 of a pecuniary interest in a contract, and the book shall be open during office hours to the inspection of any councillor and a similar record shall be kept of such interests declared by councillors.

29.0 PROCEDURE RULES TO BE GIVEN TO COUNCILLORS

A copy of these Procedure Rules, and of such statutory provisions as regulate the proceedings and business of the Council shall be provided electronically to each councillor by the Monitoring Officer on or before the councillor signs a Declaration of Acceptance of Office on being first elected to the Council.

30.0 INSPECTION OF DOCUMENTS

- (a) A councillor may, for purposes of his/her duty as such councillor but not otherwise, on application in writing to the Chief Executive, inspect any document which has been considered by a committee or by the Council, and if copies are available shall on request be supplied for the like purposes with a copy of such a document.
- (b) The written application shall set out the duty which the councillor is seeking to discharge in inspecting the document and the reasoning underlying the same.
- (c) A councillor shall not knowingly inspect and shall not call for a copy of any document relating to a matter in which he/she is professionally interested or in which he/she has a Disclosable Pecuniary Interest as defined in the Code of Conduct (see Part 5 hereof) or, directly or indirectly, any pecuniary interest within the meaning of section 94 of the Local Government Act, 1972. This Procedure Rule shall not preclude the Chief Executive from declining to allow inspection of any document which, in the event of legal proceedings, would be protected by privilege arising from the relationship of solicitor and client.

31.0 INSPECTION OF LAND, PREMISES, ETC. BY COUNCILLORS

A councillor shall not issue any order for goods, works or services on behalf of the Council or claim by virtue of his/her membership of the Council any right to inspect, or to enter upon any lands, offices, or premises which the Council has the power or duty to inspect or enter,

32.0 APPLICATION TO COMMITTEES AND SUB-COMMITTEES

All of the Council Rules of Procedure apply to meetings of the Council. None of the rules apply to meetings of the Cabinet. Only Rules 6-27 (but not Rules 12, 13) and 26), apply to meetings of committees and sub-committees save that:

- (a) the Chairman of the meeting may at his discretion waive the prohibition on members speaking more than once as contained in Rule 15.6;

- (b) Rule 17.2 shall apply to meetings of the Planning Committee or the Licensing and Regulatory Committee only when those committees are not considering individual applications.
- (c) Rule 9 shall apply to committees and sub-committees subject to a quorum being no fewer than 3 members of the committee/sub-committee.

33.0 DETERMINATION OF PLANNING APPLICATIONS BY THE PLANNING COMMITTEE CONTRARY TO OFFICER RECOMMENDATIONS

The Chairman of the Planning Committee shall not accept a proposal to determine a planning application contrary to officers' recommendations unless:

- (a) a motion to approve a planning application incorporates any conditions to be attached to such approval and also includes reasons for planning permission being granted and reasons for such conditions as may be imposed.
- (b) a motion to refuse a planning application incorporates the grounds for planning permission being refused.

PART 4 - SECTION 2 – ACCESS TO INFORMATION PROCEDURE RULES

1.0 Introduction

These rules apply to all meetings of the Council, the Cabinet and any committees or sub-committees (together referred to in this Section as meetings).

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law. In addition to the specific measures set out below the Council will ensure that it complies with the Openness of Local Government Bodies Regulations 2014 in making all relevant papers and documents available to members of the public.

2.0 Additional rights to information

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law nor do these rules limit or diminish the Council's duties to protect certain information, including personal information. This includes the rights and duties from the provisions of the Freedom of Information Act 2000, the Data Protection Act 1998, the General Data Protection Regulation and the Data Protection Act 2018 (when enacted).

3.0 Rights to Attend Meetings, Record Meetings and Public Speaking

Members of the public may attend all meetings subject only to the exceptions in these rules.

Members of the public have a right to speak at Planning Committee in accordance with the Public Speaking at Planning Committee guidance.

Applicants or Licence Holders have a right to speak at Licensing and Regulatory Committee or Licensing Sub-Committee at a hearing relating to their application/licence.

All public meetings of the Council may be recorded; a protocol in respect of the recording of meetings is in place (Appendix B to this Section).

The Council Procedure Rules of this Constitution allow that, if a member of the public or press interrupts the proceedings at any meeting, the Chairman may warn him/her. If he/she continues the interruption and a warning has been given, the Chairman may order his/her removal from the meeting place. In the event of a general disturbance in any part of the meeting place open to the public, the Chairman may order that part to be cleared. If the Chairman considers the orderly dispatch of business impossible, the Chairman may without question adjourn the meeting.

4.0 Notices of Meetings

The Council will give at least five clear days' notice of any meeting by posting details of the meeting at District Council House, Lichfield and on its website at [Council Meetings](#).

5.0 Access to Agenda and Reports before the Meeting

The Council will make copies of the agenda and reports open to the public available for inspection at the Council Offices, Lichfield and on the website at least five clear days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda. Where reports are prepared after the agenda has been sent out, the Monitoring Officer shall make each such report available to the public as soon as the report is completed and sent to Councillors.

6.0 Supply of Copies

Copies of :

- (i) any agenda and reports which are open to public inspection;
- (ii) any further statements or particulars necessary to indicate the nature of the items in the agenda

will be available to members of the public attending a meeting and available on the Council's website [Council Meetings](#) 5 working days prior to the meeting. .

7.0 Access to Minutes etc, after the Meeting

The Council will continue to publish on its website the following for six years after a meeting:

- (a) the minutes of the meeting or the record of decisions taken together with the reasons for those decisions, for all meetings of the Cabinet, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
- (b) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- (c) the agenda for the meeting; and
- (d) reports relating to items considered when the meeting was open to the public.

8.0 Background Papers

- (a) Every report will set out a list of those documents (called background papers) relating to the subject matter of the report which in the Monitoring Officer's opinion:
 - (i) disclose any facts or matters on which the report or an important part of the report is based; and
 - (ii) which have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information.
- (b) The Council will retain for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

9.0 Exclusion of Access by the Public to Meetings

- 9.1** The public may only be excluded under rule 9.2 or 9.4 for the part or parts of the meeting during which it is likely that confidential or exempt information would be divulged.

9.2 Confidential Information – Requirement to exclude public

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

9.3 Meaning of Confidential Information

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by any enactment or Court Order.

9.4 Exempt Information – Discretion to exclude public

The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted, or due to the nature of the proceedings, that exempt information would be disclosed. A decision to exclude the public is to be made by a formal resolution of Council, committee or sub-Committee.

When the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act, 1998

establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

9.5 Meaning of Exempt Information

Exempt information means information falling within the following categories (subject to any condition):

<u>Category</u>
1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
Conditions
A. Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under— (a) the Companies Acts (as defined in Section 2 of the Companies Act 2006) (b) the Friendly Societies Act, 1974; (c) the Friendly Societies Act, 1992; (d) the Industrial and Provident Societies Acts, 1965 to 1978; (e) the Building Societies Act, 1986; or (f) the Charities Act, 1993.
B. Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to

- C. Information which—
- (a) falls within any of paragraphs 1 to 7 above; and
 - (b) is not prevented from being exempt by virtue of paragraph 8 or 9 above, is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

10.0 Exclusion of Access by the Public to Reports

With the approval of the Director of Transformation and Resources, the Council may withhold public access to reports which, in the opinion of the Monitoring Officer, relate to items during which, in accordance with Rule 9, the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed. If the information is exempt information the category of exemption must also be marked in the report.

11.0 Cabinet and Officer Decisions

(a) Advance notice of key decisions

- (i) The Cabinet is required to give advance notice of forthcoming "Key Decisions", which are defined as any Cabinet, Committee of Cabinet, individual member or officer decision in the course of exercise of an executive function decision likely to:
 - result in the Council incurring expenditure which is or the making of savings which are significant having regard to the Council's budget for the service or function to which the decision relates or
 - be significant in terms of its effects on communities living or working in an area comprising two or more wards within the area of the Council

In addition, any decision involving expenditure or savings of over £75,000 (but excluding any decision relating to investment/withdrawal of Council monies as part of Treasury Management Procedures) will be considered to be a key decision.

Subject to Rule 11(d) (general exception) and Rule 11(e) (special urgency), a key decision may not be taken unless:

- A Notice of Key Decision has been published in connection with the matter in question;

- at least 28 clear days has elapsed since the publication of the Notice of Key Decision; and
- where the decision is to be taken at a meeting of the Cabinet notice of the meeting has been given in accordance with Rule 4 (Notice of Meetings).

(b) Contents of Notice of Key Decision

The Notice of Key Decision will state that a key decision is to be taken by the Cabinet, an individual Cabinet Member or an officer in the course of the discharge of an executive function. It will describe the following particulars:

- (i) the matter in respect of which the decision is to be made;
- (ii) where the decision maker is an individual, the name and title of the decision maker, and where the decision maker is a body, its name and a list of its membership;
- (iii) the date on which, or the period within which, the decision is to be made;
- (iv) a list of the documents submitted to the decision maker for consideration in relation to the matter;
- (v) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed is available;
- (vi) that other documents relevant to the matter may be submitted to the decision maker; and
- (vii) the procedure for requesting details of those documents (if any) as they become available.

(c) Publication of the Notice of Key Decision

The Notice of Key Decision must be made available for inspection by the public at the Council Offices, Lichfield and on the Council's website [Forward Plan](#) and a link to the Forward Plan will be sent to all Members of the Council digitally.

(d) General Exception

If a Notice of Key Decision has not been published, then subject to Rule 11(e) (special urgency), the decision may still be taken if:

- (i) the decision must be taken by such a date that it is impracticable to publish a Notice of Key Decision;

- (ii) the Monitoring Officer has informed the Chairman of the Overview and Scrutiny Committee, or in his/her absence the Vice-Chairmen, in writing, or if there is no such person, each member of that committee in writing, by notice, of the matter about which the decision is to be made;
- (iii) the Monitoring Officer has made copies of that notice available to the public at the Council Offices, Lichfield, and publish the notice on the [Forward Plan](#) and
- (iv) at least 5 clear days have elapsed since the Monitoring Officer complied with 11 (d) (ii) and (iii).

As soon as reasonably practicable after the Monitoring Officer has complied with Rule 11(e), he/she must make available at Council Offices Lichfield and publish on the [Forward Plan](#) the reasons why compliance with Rule 11(a) is impractical.

At least once a year a report must be taken to full Council setting out all executive decisions taken under urgency provisions.

(e) Special Urgency

If by virtue of the date by which a key decision must be taken Rule 11(d) (general exception) cannot be followed, then the key decision can only be taken with the agreement of the Chairman of the relevant Overview and Scrutiny Committee that the taking of the decision cannot be reasonably deferred.

As soon as reasonably practicable after agreement has been obtained under Rule 11(e), the decision maker must make available at Council Offices Lichfield and publish on [Forward Plan](#) a notice setting out the reasons that the decision is urgent and cannot reasonably be deferred.

(f) Notice of Private Meetings of the Cabinet

At least 28 clear days before a private meeting the Cabinet must:-

- (i) make available at the offices of the Council a notice of its intention to hold the meeting in private (a "Notice of Private Meeting") including reasons for doing so; and
- (ii) publish that notice on the Council's website.

At least five clear days before a private meeting, the Cabinet must:-

- (i) make available at the Council Offices, Lichfield, a further notice of its intention to hold the meeting in private; and
- (ii) publish that notice on the Council's website.

This further notice must include:-

- (i) a statement of the reasons for the meeting to be held in private
- (ii) details of any representations received by the Cabinet about why the meeting should be open to the public; and
- (iii) a statement of the response of the Cabinet to any such representations.

Where the date by which a meeting must be held makes compliance with this Rule impractical, the meeting may only be held in private where the Cabinet has obtained agreement that the meeting is urgent and cannot reasonably be deferred from the Chairman of the Overview and Scrutiny Committee

As soon as reasonably practicable after the Cabinet has obtained agreement to hold a private meeting, it must

- (i) make available at the Council Offices, Lichfield, a notice setting out the reasons why the meeting is urgent and cannot reasonably be deferred; and
- (ii) publish that notice on the Council's website.

(g) Where the Chairman of the Overview and Scrutiny Committee is Unable to Act

Where the agreement of the Chairman of the Overview and Scrutiny is required by 11(d) or 11(e) and where there is no Chairman of the Overview and Scrutiny Committee, or if the Chairman of the Overview and Scrutiny Committee is unable to act, then agreement shall be sought from the Vice-Chairmen of the Overview and Scrutiny Committee.

If there is no Vice-Chairmen of the Overview and Scrutiny Committee or the Vice-Chairmen of the Overview and Scrutiny Committee are unable to act, then the agreement of the Chairman of the Council, or in his/her absence the Vice Chairman of the Council will suffice.

(h) Attendance at Private Meetings of the Cabinet

All members of the Cabinet will be served notice of all private meetings of the Cabinet and shall be entitled to attend private meetings of the Cabinet unless precluded from doing so by law or by the Code of Conduct for Members. Members other than Cabinet members will not be entitled to attend private meetings of the Cabinet.

(i) Recording a Decision by the Cabinet or other Individual Cabinet Member or a Key Decision by an officer

As soon as reasonably practicable after a Cabinet decision has been made by the Cabinet collectively or by an individual Cabinet Member, the Cabinet or Cabinet Member, or in the case of a key decision made by an officer, the officer shall make a written record of that decision which shall include:

- (a) record of the decision including the date;
- (b) record of reasons for the decision;
- (c) details of alternative options considered;
- (d) record of any conflict of interest declared; and
- (e) any dispensation granted by Audit and Member Standards Committee or Head of Paid Service, where appropriate.

Records of Cabinet and Key officer decisions shall be sent to the Monitoring Officer who shall maintain such records and shall publish them on the Council's website, together with a copy of any report considered and any background papers.

Rules 11(i)(b) and 11(i)(c) do not apply where the publication of a report or background paper would be likely to disclose exempt or confidential information

Filming, Videoing, Photography and

Audio Recording at council meetings

Lichfield District Council is committed to being open and transparent in the way it conducts its business. The press and members of the public are therefore welcome to film, photograph or record decision making in action at any meeting that is open to the public.

The Council also welcomes the use of social media.

This Protocol provides practical information to assist anyone considering filming, videoing, photographing or making audio recordings of meetings.

Before the meeting

Anyone intending to film or record a meeting is encouraged to contact the Head of Legal, Property and Democratic Services for advice and guidance. Reasonable advance notice will enable practical arrangements to be made and any special requirements to be discussed.

Flash photography, additional lighting or large equipment will not be permitted, unless agreed in advance and it can be accommodated without causing disruption to the proceedings. Requests to use equipment of this nature will be subject to consideration of the constraints of the meeting rooms.

General

The Chairman of the meeting or the relevant Cabinet Member will be informed of any intention to film and s/he will make an announcement to attendees before the start of the meeting informing attendees that the meeting may be filmed.

Notice of the filming/recording/broadcasting of meetings will be displayed in and outside the place of meeting and meeting agendas will include the following:

“The Council, members of the public and the press may record/film/photograph or broadcast this meeting when the public and the press are not lawfully excluded. Any member of the public who attends a meeting and objects to being filmed should advise the Head of Legal, Property and Democratic Services (in advance) who will instruct that they are not included in the filming.”

Members of the public speaking at, or attending, the meeting (including asking questions or presenting petitions) must not be filmed if they have indicated that they do not wish to be

included.

Recording and reporting the council's meetings is subject to the law and it is the responsibility of those doing the recording and reporting to ensure compliance. This will include the Human Rights Act, the Data Protection Act, GDPR and the laws of libel and defamation.

Any person or organisation choosing to film, record or broadcast any meeting of the Council, its Cabinet or committees is responsible for any claims or other liability resulting from them so doing and by choosing to film, record or broadcast proceedings they accept that they are required to indemnify the Council, its members and officers in relation to any such claims or liabilities.

The Council will display the requirements as to filming, recording and broadcasting at its meeting venues and those undertaking these activities will be deemed to have accepted them whether they have read them or not.

The Council will publish the guidance on the filming, recording and broadcasting of meetings on its website.

Filming or recording must be non-intrusive and the Council's Rules of Procedure Rule 22 provides for the removal of a member of the public from a meeting should that person, having been warned, continue to interrupt proceedings. The Chairman of a meeting or an individual Cabinet Member may also call any part of the meeting room to be cleared in the event of a general disturbance.

It should be noted that the Chairman of a meeting will have absolute discretion to terminate or suspend any of the above activities if, in his/her opinion, continuing to do so would prejudice the running of the meeting. The circumstances in which termination or suspension might occur could include:

- public disturbance, disruption or suspension of the meeting.
- the meeting agreeing to formally exclude the press and public from the meeting due to the exempt/confidential nature of the business being discussed, in accordance with statutory procedures.
- where it is considered that continued recording/ photography/ filming/ webcasting might infringe the rights or privacy of any individual (including staff members), or intimidate them.
- for any other reason which the Chairman considers reasonable in the circumstances.

During the meeting

Filming or recording of Meetings should:

- Not interfere with the effective conduct of the meeting, nor should it be disruptive or distracting. The Chairman or the Cabinet Member has discretion to suspend or

stop filming or recording at any time if and to take appropriate action if anyone is, in his/her opinion, doing so in a disruptive manner.

- Not seek to 'overview' sensitive information such as close ups of confidential papers or private notes
- Usually take place from a specified location(s) within the room.
- Not obstruct others from observing and participating in the proceedings.
- Cease immediately if and when the meeting agrees to formally exclude the Press and public due to business of an Exempt or Confidential nature (see 'Exempt or confidential business' below).
- Not be edited in a way that could lead to misinterpretation of the proceedings or the comments made, or that ridicules those being filmed.
- When published or broadcast, recordings should be accompanied by information including when and where the recording was made and the context in which the discussion took place.
- Be overt (i.e. clearly visible to anyone at the meeting).
- Cease, unless continued filming has been explicitly agreed in advance with the Head of Legal, Property and Democratic Services, when the meeting is formally concluded.

Exempt or confidential business

All meetings of the Cabinet, Committee, Sub Committee and Panel meetings are open to the public except in limited circumstances where the Council is legally required, or allowed, to close the meeting to the public. The circumstances where business is 'exempt' or 'confidential' are set out in Section 2 Part 4 of the Council's Constitution.

PART 4 - SECTION 3 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1.0 The Framework for Cabinet Decisions

The Council will be responsible for the adoption of its Budget and Policy Framework as set out in Article 4. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Cabinet to implement it. References in these rules to the Policy Framework are to the plans and strategies required by law to be adopted by the Council as set out in Article 4.

Process for developing Policy Framework

- 1.1 The Leader of the Council will publicise at the Council's offices and on its website, a timetable for making proposals to the Council for the adoption of any plan, strategy, or budget that forms part of the Budget and Policy Framework, and its arrangements for consultation after publication of those initial proposals. The Chairman of the Strategic Overview and Scrutiny Committee and the Chairman of the Audit and Member Standards Committee will also be notified. The consultation period shall, in each instance, be dependent on the nature or complexity of the plan strategy or budget in question."
- 1.2 At the end of that period, the Cabinet will then draw up firm proposals having regard to the responses to that consultation. The Cabinet will then consult the relevant Overview and Scrutiny Committee on the proposals. It will be open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Cabinet will take any response submitted from the Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees, and the Cabinet's further response.
- 1.3 Once the Cabinet has approved the firm proposals, they will be referred at the earliest opportunity to the Council for decision.
- 1.4 In reaching a decision, the Council may adopt the Cabinet's proposals, amend them, refer them back to the Cabinet for further consideration, or in principle, substitute its own proposals in their place.
- 1.5 If it accepts the recommendation of the Cabinet without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- 1.6 The decision will be publicised.
- 1.7 Where the Cabinet has submitted a draft plan or strategy to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in Rule 1.8 below.

1.8. Before the Council:

1.8.1 amends the draft plan or strategy;

1.8.2 approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or

1.8.3 adopts (with or without modification) the plan or strategy,

it must inform the Leader of the Council of any objections which it has to the draft plan or strategy and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, the draft plan or strategy submitted to it.

1.9 Where the Council gives instructions in accordance with Rule.1.8, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions within which the Leader of the Council may:-

1.9.1 submit a revision of the draft plan or strategy as amended by the Cabinet (the "revised draft plan or strategy"), with the Cabinet's reasons for any amendments made to the draft plan or strategy, to the Council for its consideration; or

1.9.2 inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.

1.10 When the period specified by the authority, referred to in paragraph 1.9, has expired, the Council must, when:-

1.10.1 amending the draft plan or strategy or, if there is one, the revised draft plan or strategy;

1.10.2 approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or

1.10.3 adopting (with or without modification) the plan or strategy,

take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the Cabinet's reasons for those amendments, any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for that disagreement, which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

Process for developing the Budget/MTFS

- 1.11 Subject to Rule 1.15, where the Cabinet submits to the Council for its consideration in relation to the following financial year:-
- 1.11.1 estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;
 - 1.11.2 estimates of other amounts to be used for the purposes of such a calculation;
 - 1.11.3 estimates of such a calculation; or
 - 1.11.4 amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,
- and following consideration of these estimates or amounts the Council has any objections to them, it must take the action set out in Rule 1.12.
- 1.12 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 1.11.1, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of the Council of any objections which it has to the Cabinet's estimates or amounts and must give to him instructions requiring the Cabinet to reconsider, in the light of those objections, those estimates and amounts in accordance with the Council's requirements.
- 1.13 Where the Council gives instructions in accordance with Rule 1.12, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of the Cabinet within which the Leader of the Council may:-
- 1.13.1 submit a revision of the estimates or amounts as amended by the Cabinet ("revised estimates or amounts"), which have been reconsidered in accordance with the Council's requirements, with the Cabinet's reasons for any amendments made to the estimates or amounts, to the Council for the Council's consideration; or
 - 1.13.2 inform the Council of any disagreement that the Cabinet has with any of the Council's objections and the Cabinet's reasons for any such disagreement.
- 1.14 When the period specified by the Council, referred to in Rule 1.13, has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in Rule 1.13, or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:-
- 1.14.1 any amendments to the estimates or amounts that are included in any revised estimates or amounts;

1.14.2 the Cabinet's reasons for those amendments;

1.14.3 any disagreement that the Cabinet has with any of the Council's objections;
and

1.14.4 the Cabinet's reasons for that disagreement,

which the Leader of the Council submitted to the Council, or informed the Council of, within the period specified.

1.15 The above Rules shall not apply in relation to -

1.15.1 calculations or substitute calculations which the Council is required to make in accordance with relevant legislation; and

1.15.2 amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with relevant legislation.

1.16 In approving the Budget and Policy Framework, the Council will also specify the extent of virement within the Budget and degree of in-year adjustments to the Policy Framework which may be undertaken by the Cabinet, in accordance with these Rules and the Financial Procedure Rules. Any other changes to the policy and budgetary framework are reserved to the Council.

1.17 The Cabinet will in addition to the above provisions consult the Scrutiny Committee regularly in the process of preparing the draft budget and draft plans and strategies and, where appropriate, stakeholders.

2.0 Decisions outside the Budget and Policy Framework

2.1 Subject to the provisions of Rule 1.16 and Rule 3.3 below the Cabinet members of the Cabinet, and any officers discharging Cabinet functions may only take decisions which are in line with the Budget and Policy Framework. If any of these bodies or persons considers it desirable for a decision to be made which is contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget approved by the Council, that decision may only be taken by the Council, subject to Rule 3.3 below.

3.0 Urgent decisions outside the Budget or Policy Framework

3.1 The Cabinet may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken if it is not practical to convene a meeting of the full Council and the Chairman of the Strategic Overview and Scrutiny Committee or in his absence the Vice-Chairmen of the Strategic Overview and Scrutiny Committee agrees that the decision needs to be taken as a matter of urgency.

- 3.2 The reasons why it is not practical to convene a meeting of the Council and the Chairman of the Overview and Scrutiny Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision.
- 3.3 Following the decision, the Cabinet will provide a full report to the next available Council meeting explaining the decision, the reasons for it, and why the decision was treated as a matter of urgency.

4.0 Virement

- 4.1 The Financial Procedure Rules set out the arrangements for authorising virement between budget heads. Virement of expenditure permitted under the Financial Procedure Rules shall be deemed to be expenditure within the Council's Budget. Virement between budget heads is an integral and important feature of budgetary control. It allows service providers to adapt to service changes within the Council Policy Framework. The details of virement can be found in Financial Procedures Rules in Part 4 of the Constitution.

5.0 In-year changes to Policy Framework

The responsibility for agreeing the Budget and Policy Framework lies with the Council, and decisions by the Cabinet, members of the Cabinet, or officers discharging Cabinet functions must be in line with it. No changes to any policy and strategy which make up the Policy Framework may be made by those bodies or individuals except as set out in Rules 2.0, 3.0 and 4.0 above.

6.0 Call-in of decisions outside the Budget or Policy Framework

Save in the circumstances referred to in Rule 3.0 above, if the Monitoring Officer and/or Chief Finance Officer consider that a proposed decision would be contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, no action may be taken in respect of the decision or its implementation until the Council has met and considered the matter. The Council may:

- (a) determine that the proposed decision falls within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council shall be minuted and circulated to all councillors in the normal way; or
- (b) amend the Council's policy concerned to encompass the decision or proposal of the body or individual responsible for that Cabinet function and agree to the decision with immediate effect. In this case, no further action is required save that decision of the Council shall be minuted and circulated to all councillors in the normal way; or
- (c) where the Council accepts that decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and

does not amend the existing policy or budget to accommodate it, require the Cabinet to reconsider the matter; or

- (d) approve the decision or proposal as an exception to the policy; or
- (e) provide the relevant budgetary provision for the decision or proposal.

PART 4 - SECTION 4 - CABINET PROCEDURE RULES

1.0 How Does the Cabinet Operate

1.1 Who may make Cabinet decisions?

Cabinet functions may be discharged by:

- (i) the Cabinet as a whole;
- (ii) an individual member of the Cabinet;
- (iii) an officer;

1.2 Delegation by the Leader

Following the annual meeting of the Council, the Monitoring Officer will, at the direction of the Leader, draw up a written record of executive delegations made by the Leader for inclusion in the Council's scheme of delegation at Part 3 to this Constitution. This will contain the following information about executive functions in relation to the coming year:

- 1.2.1 the extent of any authority delegated to Cabinet members individually, including details of the limitation on their authority;
- 1.2.2 the nature and extent of any delegation to officers with details of any limitation on that delegation, and the title of the officer to whom the delegation is made.

1.3 Sub-delegation of executive functions

- 1.3.1 Where the Cabinet or an individual member of the Cabinet is responsible for an executive function, they may delegate further to an officer.
- 1.3.2 Where executive functions have been delegated, that fact does not prevent the discharge of delegated functions by the person or body who delegated.

1.4 The Council's scheme of delegation and executive functions

- 1.4.1 The Leader may amend the scheme of delegation relating to executive functions at any time. In doing so the Leader will give written notice to the Monitoring Officer and to the person, body or committee concerned. The notice must set out the extent of the amendment to the scheme of delegation, and whether it entails the withdrawal of delegation from any person, body or committee. The Monitoring Officer will present a report to the next ordinary meeting of the Council setting out the changes made by the Leader.

1.5 Cabinet meetings – when and where?

The frequency and timing of meetings of the Cabinet will be determined by the Leader. The Cabinet will meet at the Council's Main Offices, Lichfield or another location to be agreed by the Leader of the Council.

1.6 Public or private meetings of the Cabinet?

The Cabinet will meet in public subject to the right to meet in private under the Local Government Act 1972 (as reflected in the Access to Information Rules in Part 4 of this constitution).

1.7 Quorum

The quorum for a meeting of the Cabinet shall be 3 including either the Leader or the Deputy Leader.

1.8 How are decisions to be taken by the Cabinet?

Cabinet decisions which have been delegated to the Cabinet will be taken at a meeting convened in accordance with the Access to Information Rules in Part 4 of this Constitution.

2.0 How Are Cabinet Meetings Conducted?

2.1 Who presides?

If the Leader of the Council is present, he/she will preside. In his/her absence, the Deputy Leader of the Council will preside.

2.2 Who may attend?

Details are set out in the Access to Information Rules in Part 4 of this Constitution.

2.3 What business?

At each meeting of the Cabinet the following business will be conducted:

- (i) apologies for absence;
- (ii) declarations of interest, if any;
- (iii) matters set out in the agenda for the meeting, including matters referred to the Cabinet (whether by a scrutiny committee, or by the Council) for reconsideration by the Cabinet in accordance with the provisions contained in the Overview and Scrutiny Procedure Rules or the Budget and Policy Framework Procedure Rules set out in Part 4 of this Constitution; and consideration of reports from the Overview and Scrutiny Committees. The agenda shall indicate which are key decisions and which are not to be

considered in public in accordance with the Access to Information Procedure Rules set out in Part 4 of this Constitution.

2.4 Consultation

All reports to the Cabinet from any member of the Cabinet on proposals relating to the budget and policy framework must contain in a standard paragraph of the report details of the nature and extent of consultation with stakeholders and the relevant scrutiny committee, and the outcome of that consultation. Reports about other matters will set out the details and outcome of consultation as appropriate. The level of consultation required will be appropriate to the nature of the matter under consideration.

2.5 Who can put items on the Cabinet agenda?

- (i) The Leader of the Council will decide upon the schedule for the meetings of the Cabinet. He/she may put on the agenda of any Cabinet meeting any matter which he/she wishes and which is a matter which may be the responsibility of the Cabinet or a Cabinet Member. The Director of Transformation and Resources shall comply with the Leader of the Council's requests in this respect.
- (ii) Any member of the Cabinet may require the Director of Transformation and Resources to place an item on the agenda of the next available meeting of the Cabinet for consideration. If he/she receives such a requirement in writing the Leader of the Council will comply with it;
- (iii) The Director of Transformation and Resources will place on the agenda of the next or next but one meeting of the Cabinet any item which the Council or a scrutiny committee have resolved that be considered by the Cabinet;
- (iv) Any councillor may ask the Leader of the Council to put an item on the agenda of a Cabinet meeting for consideration, and if the Leader of the Council agrees the item will be considered at the next or next but one meeting of the Cabinet. The notice of the meeting will give the name of the councillor who asked for the item to be considered. The councillor will be invited to attend the meeting, whether or not it is a public meeting.
- (v) The Monitoring Officer and/or the Chief Finance Officer and/or the Chief Executive may place an item for consideration on the agenda of a Cabinet meeting and may request the Chief Executive to call such a meeting in pursuance of their statutory duties. The Chief Executive will comply with that request. If there is no meeting of the Cabinet timely enough to deal with the issue in question, the Chief Executive shall convene an earlier meeting of it at which the matter will be considered.

PART 4 - SECTION 5 – OVERVIEW AND SCRUTINY PROCEDURE RULES

1.0 The Council at its annual meeting will appoint a Strategic Overview and Scrutiny Committee, an Economic Growth, Environment & Development (Overview & Scrutiny) Committee, a Community, Housing and Health (Overview & Scrutiny) Committee and a Leisure, Parks & Waste Management (Overview & Scrutiny) Committee known collectively as “the scrutiny committees”. The scrutiny committees may appoint sub-committees, panels or task groups.

1.1 The scrutiny committees will perform all overview and scrutiny functions on behalf of the Council, in accordance with this Constitution.

1.2 The terms of reference of the scrutiny committees are set out in Part 3 of this Constitution.

2.0 WHO MAY SIT ON THE SCRUTINY COMMITTEES

2.1 All Councillors except members of the Cabinet shall be eligible to serve on the scrutiny committees. However, no councillor may be involved in scrutinising a decision in which he/she has been directly involved.

3.0 CO-OPTEEES

3.1 The scrutiny committees shall be entitled to appoint persons as non-voting co-optees.

4.0 MEETINGS OF THE SCRUTINY COMMITTEES

4.1 Meetings will be held in accordance with the schedule of meetings approved by the Council and additional meetings may be called from time to time as and when appropriate. A scrutiny committee meeting may be called by a Chairman of the relevant scrutiny committee, by any member of the committee, or by the Chief Executive if he/she considers it necessary or appropriate.

5.0 QUORUM

5.1 The quorum for the scrutiny committees shall be one quarter of the voting members of the committee or three voting members whichever is the greater number.

6.0 WHO CHAIRS OVERVIEW AND SCRUTINY COMMITTEE

6.1 The Chairmen of the scrutiny committees will be drawn from among the members sitting on the relevant committee, save that the Chairman or Vice-Chairman of the Council shall not be the chairman or vice-chairman of a scrutiny committee. The Chairman of the Strategic Overview and Scrutiny Committee may not also chair one of the Overview and Scrutiny Committees.

7.0 SCRUTINY WORK PROGRAMME

Overview and Scrutiny Committees will prepare their work plan each year and update it regularly and these will be reviewed by the Overview and Scrutiny Coordinating Group.

The Overview & Scrutiny Coordinating Group

Membership

- 7.1 The Overview and Scrutiny Coordinating Group (the Group) will comprise the chairmen and vice-chairmen of each of the overview and scrutiny committees along with Leader of the Council, Deputy Leader and Leader of the Principal Minority Group. The Chairman of the Strategic Overview and Scrutiny Committee shall be the Chairman of the Coordinating Group.
- 7.2 The Group will meet no less than twice per year.

Responsibility

- 7.3 The Group will be responsible for supporting the preparation of the work programmes of the Overview and Scrutiny committees to ensure that the work programmes are meaningful, avoid duplication, are properly scoped and resourced and are timely.
- 7.4 Where more than one committee has an interest in a subject, the Group will identify the Committee to take the lead and will support the Chairman of that Committee to find ways of engaging with the other interested Committees.

Reporting

- 7.5 Proposed work programmes will be considered by the relevant Overview and Scrutiny Committees at each meeting.
- 7.6 The Group will report annually to Council on the working of the overview and scrutiny functions and may make recommendations for improvement.

8.0 AGENDA ITEMS

- 8.1 Any member of the Overview and Scrutiny Committee shall be entitled to give notice to the Chairman of the relevant Overview and Scrutiny Committee or the Chairman of the Co-ordinating Group that he/she wishes an item relevant to the functions of a scrutiny committee to be included on the agenda for the next available meeting of the relevant committee.

9.0 REVIEW OF COUNCIL ACTIVITIES

9.1 The Overview and Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and, if it considers it appropriate, the Cabinet, to review particular areas of Council activity. Where it does so, the Overview and Scrutiny Committee shall report its findings and any recommendations back to the Cabinet and/or the Council. The Council and/or the Cabinet shall consider the report of the Overview and Scrutiny Committee at its next or next but one meeting.

10.0 COUNCILLOR CALL FOR ACTION

10.1 Any member of the Council may refer a matter which affects their ward to the relevant Overview and Scrutiny Committee (except that a member may not exercise this right relevant to a matter upon which they may exercise Cabinet powers).

10.2 Any member referring a Councillor Call for Action shall have the right to:-

- make representations to the relevant Overview and Scrutiny Committee as to why the committee should scrutinise the matter
- if the Overview and Scrutiny Committee decides not to scrutinise the matter, receive reasons from the committee for not doing so.
- if the Overview and Scrutiny Committee decides to scrutinise the matter, receive the committee report and/or recommendation(s)

11.0 POLICY REVIEW AND DEVELOPMENTS

11.1 The role of the Overview and Scrutiny Committee in relation to the development of the Council's budget and policy framework is set out in detail in the Budget and Policy Framework Procedure Rules.

11.2 In relation to the development of the Council's approach to other matters not forming part of its policy and budget framework, the scrutiny committees may make proposals to the Cabinet for developments insofar as they relate to matters within their terms of reference;

11.3 The scrutiny committees may hold enquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist it in this process within the budgetary provision assigned to it. It may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that it reasonably considers necessary to inform its deliberations within such budgetary provision. It may ask witnesses to attend to address it on any matter under consideration and may pay to any advisers, assessors, and witnesses a reasonable fee and expenses for doing so within the budgetary provision assigned to it.

12.0 REPORTS FROM THE SCRUTINY COMMITTEES

- 12.1 Once it has formed recommendations on proposals, the Chairman of the scrutiny committee will prepare a formal report and submit it to the Director of Transformation and Resources for consideration by Council or by the Cabinet which shall consider and respond to the recommendations.
- 12.2 The Council or the Cabinet shall consider the report of the scrutiny committee at its next or next but one meeting.

13.0 MAKING SURE THAT SCRUTINY REPORTS ARE CONSIDERED BY THE CABINET

- 13.1 The reports of the scrutiny committees referred to the Cabinet shall be included in the agenda by the Director of Transformation and Resources at the next or next but one meeting.
- 13.2 Where a scrutiny committee prepares a report for consideration in relation to a matter where the Council has delegated decision making power to an individual member of the Cabinet, the scrutiny committee, will submit a copy of its report to him/her for consideration and, at the same time send a copy of the report to the Director of Transformation and Resources. The member with delegated decision making power must consider the report and respond in writing to the scrutiny committee, within four weeks of receiving it. A copy of his/her written response to it shall be sent to the Director of Transformation and Resources and the Leader of the Council. The member will also, at the request of the scrutiny committee, attend a future meeting of the scrutiny committee, to present the response.

14.0 SCRUTINY OF CABINET DECISIONS

- 14.1 Once any proposed decision (whether or not the proposal constitutes a key decision) has been considered by the Overview and Scrutiny Committee, and subject to that committee having no adverse comments to make thereon, any decision of the Cabinet or a Cabinet Member in accordance with that proposal will not be subject to further call in and, unless prescribed by law or the Council's Constitution, not subject to any requirement for approval by Council.
- 14.3 Where a Cabinet decision has been made (either by the Cabinet, a Cabinet Member or an officer) and that decision was not treated as a key decision and the Overview and Scrutiny Committee are of the opinion that the decision should have been treated as a key decision, the Overview and Scrutiny Committee may require the Cabinet or officer to submit a report to full Council within a reasonable period. The report must include details of the decision and reasons for it, by whom the decision was taken and the reasons for not classing the decision as key.

15.0 COUNCILLORS AND EMPLOYEES GIVING ACCOUNT

- 15.1 Within its terms of reference each scrutiny committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may

require, in accordance with any protocol the Council may adopt, any member of the Cabinet, the Chief Executive, or any employee to attend before it to explain in relation to matters within their remit:

- any particular decision or series of decisions;
- the extent to which the actions taken implement Council policy; and/or
- their performance,

and it is the duty of those persons to attend if so required.

15.2 Where any member of the Cabinet or employee is required to attend a scrutiny committee, under this provision, the chairman of that committee or panel will inform the Director of Transformation and Resources. The Director of Transformation and Resources shall inform the councillor or employee in writing giving at least 5 working days' notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the committee. Where the account to be given to the committee will require the production of a report, the councillor or employee concerned will be given sufficient notice to allow for preparation of that documentation.

15.3 Where, in exceptional circumstances, the member of the Cabinet or employee is unable to attend on the required date, the Chairman of the scrutiny committee, shall, in consultation with the councillor or employee, arrange an alternative date for attendance to take place within a maximum of 21 days from the date of the original request, unless an extended period is agreed by the relevant chairman.

16.0 ATTENDANCE BY OTHERS

16.1 A scrutiny committee may invite people other than those people referred to in paragraph 16 above to address it, discuss issues of local concern, and/or answer questions. It may for example wish to hear from residents, stakeholders (including partner organisations), and councillors and employees in other local authorities and shall invite such people to attend.

16.2 With the agreement of the relevant chairman, all non-Cabinet members may make representations to a scrutiny committee, of which they are not a member, although they may not take part in the debate or formally put forward proposals.

16.3 With the agreement of the relevant scrutiny committee, a Cabinet member may make representations to a scrutiny committee acting in his/her capacity as a Ward Councillor, subject to the matter under consideration not falling within that Member's responsibilities, but may not take part in the debate or formally put forward proposals.

16.4 With the agreement of the relevant scrutiny committee chairman, a non-Cabinet member excluded under Paragraph 2.1 may make representations to a scrutiny

committee acting in his/her capacity as Ward Councillor, but may not take part in the debate formally put forward proposals or vote on relating to a decision in which he/she has been directly involved and even if he/she is a member of the Committee

- 16.5 Nothing in the Overview and Scrutiny Procedure Rules 18.2 and 18.3 inhibits a member's ability to submit a Councillor Call for Action pursuant to Overview and Scrutiny Procedure Rule 10.

17.0 CALL-IN

- 17.1 When a decision is proposed by the Cabinet or an individual Cabinet Member, notice of it shall be published, by electronic means (. All non-Cabinet members, together with the Monitoring Officer and Chief Finance Officer will be sent copies within the same timescale by the person responsible for proposing the decision.
- 17.2 The notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days after the publication of the proposed decision, unless the Chairman or Vice-Chairmen of Overview and Scrutiny Committee or 5 members of Overview and Scrutiny Committee or the Leader of the Principal Opposition or 10 non-cabinet members object and call it in. Where a member calls in a decision for scrutiny that member shall specify the reason or reasons for requesting consideration by the Overview and Scrutiny Committee. The Monitoring Officer or the Chief Finance Officer may also call-in a matter for scrutiny on the same terms as non-Cabinet members.
- 17.3 During the call-in period, the Director of Transformation and Resources shall call in a decision for scrutiny by the Overview and Scrutiny Committee if so requested in accordance with 17.2 above, and shall then notify the decision-maker of the call-in. The Director of Transformation and Resources shall call a meeting of the Overview and Scrutiny Committee, on such date as he/she may determine, where possible after consultation with the chairman of the committee.
- 17.4 If, having considered the proposed decision, the Overview and Scrutiny Committee is still concerned about it, it may refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns. If referred back, the decision maker shall then reconsider the decision, amending it, abandoning it, or pursuing it. If having taken account of the Overview and Scrutiny Committee recommendations the decision maker decides to amend, abandon or pursue the decision it shall be notified to members in accordance with the procedures set out at paragraph 17.1 and 17.2 but the decision shall not be further subject to the call-in procedure.
- 17.5 If having been taken back for reconsideration by the decision making person or body, proposes a decision in accordance with the recommendation(s) of the Overview and Scrutiny Committee then this decision shall be notified to members in accordance

with the procedures set out at paragraph 17.1 and 17.2 but the decision shall not be further subject to the call-in procedure.

17.6 If having considered the proposed decision, the scrutiny committee does not refer the matter back to the decision making person or body for reconsideration, the decision shall take effect on the date of the Overview and Scrutiny Committee.

17.7 The call-in procedure shall not apply:

- where the decision being taken by the Cabinet is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public interest. The record of the decision, and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Chairman of the Overview and Scrutiny Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the chairman, the Vice-Chairmen's consent shall be required. Decisions taken as a matter of urgency must be reported to the Leader of the Principal Opposition Party and to the next available meeting of the Overview and Scrutiny Committee, together with the reasons for urgency.

18.0 CABINET DECISIONS SUBMITTED FOR SCRUTINY

18.1 The procedures at paragraphs 17.5 to 17.8 will be applied to all proposed decisions by the Cabinet or a member of the Cabinet considered by the Overview and Scrutiny Committee.

19.0 PROCEDURE AT OVERVIEW AND SCRUTINY COMMITTEE MEETINGS

19.1 The Overview and Scrutiny Committee shall consider the following business:

- (i) apologies
- (ii) declarations of interest;
- (iii) consideration of any matter referred to the committee for a decision in relation to call in of a decision;
- (iv) responses of the Cabinet to report of the Overview and Scrutiny Committee
- (v) a Councillor Call for Action
- (vi) the business otherwise set out on the agenda for the meeting.

19.2 Where the Overview and Scrutiny Committee conducts investigations (e.g. with a view to policy development), the committee, may also ask people to attend to give

evidence at committee meetings which are to be conducted in accordance with the following principles:

- (i) the investigation will be conducted fairly and all members of the committee given the opportunity to ask questions of attendees and to contribute and speak;
- (ii) those assisting the committee by giving evidence be treated with respect and courtesy; and

that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

19.3 Following any investigation or review, the Overview and Scrutiny Committee shall prepare a report for submission to the Cabinet and/or Council as appropriate.

19.4 Subject to Access to Information and Confidentiality rules, all reports and findings arising from investigations by the Overview and Scrutiny Committee shall be made public.

20.0 SCRUTINY COMMITTEE RECOMENDATIONS

20.1 When at a meeting of the Overview and Scrutiny Committee a proposition is made, at the request of the proposer that reference to that proposition shall be included in the scrutiny section of the subsequent report to Council, such reference shall be so included in the relevant section of that report.

21.0 SCRUTINY REVIEWS

21.1 The schedule of scrutiny reviews proposed shall be presented to the Overview and Scrutiny Committee for consideration at least annually.

21.2 Upon commencement of a scrutiny review the scoping of the review and the proposed consultation exercise will be approved by the Overview and Scrutiny Committee.

21.3 Progress against a scrutiny review improvement plan shall be reported to the Overview and Scrutiny Committee by the relevant Cabinet Member at least annually.

SECTION 6

FINANCIAL PROCEDURE RULES

CONTENTS

1. Status of Financial Procedure rules

2. Financial Procedure rules

A: Financial Management

B: Financial Planning

C: Risk Management and Control of Resources

D: Systems and Procedures

E: External Arrangements

Appendices: Financial Procedures

Appendix A: Financial Management

Financial management standards

Managing expenditure

Accounting policies

Accounting records and returns

The annual statement of accounts

Appendix B: Financial Planning

Performance plans

Budgeting

Maintenance of reserves

Appendix C: Risk Management and Control of Resources

Risk management

Internal controls

Audit requirements

Preventing fraud and corruption

Assets

Treasury management

Staffing

Appendix D: Financial Systems and Procedures

General

Income and expenditure

Taxation

Appendix E: External Arrangements

Partnerships

External funding

Work for third parties

STATUS OF FINANCIAL PROCEDURE RULES

- 1.1** Financial procedure rules provide the framework for managing the authority's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.
- 1.2** They form an integral part of the regulations and procedures used within the Council and should not be considered in isolation to other parts of the Constitution particularly Contract Procedure Rules and other financial policies and procedures.
- 1.3** The procedure rules identify the financial responsibilities of the Council, Cabinet and scrutiny members, the Head of Paid Service, the Chief Finance Officer and Monitoring Officer.
- 1.4** All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.5** The Chief Finance Officer is responsible for maintaining a continuous review of the financial procedure rules and submitting any additions or changes necessary to the Council for approval. This will usually be done during the annual review of the Constitution. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the financial procedure rules to the Council and/or to the Cabinet members.
- 1.6** The authority's detailed financial procedures, setting out how the procedure rules will be implemented, are contained in the appendices to the financial procedure rules.
- 1.7** Members of Leadership Team are responsible for ensuring that all staff in their service areas are aware of the existence and content of the authority's financial procedure rules and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their service areas.
- 1.8** The Chief Finance Officer is responsible for issuing advice and guidance to underpin the financial procedure rules that members, officers and others acting on behalf of the authority are required to follow.

- 1.9** Reference to Head of Paid Service, Monitoring Officer, Chief Finance Officer, Members of Leadership Team, and Heads of Service should be construed with reference to article 12 of this Constitution.
- 1.10** The Council's Leadership Team comprises the Chief Executive, two Directors, Heads of Service and Assistant Chief Executive.

Financial Regulation A: Financial Management

INTRODUCTION

- A.1** Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget.

THE COUNCIL

- A.2** The Council is responsible for adopting the authority's constitution and members' code of conduct and for approving the policy framework and budget within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the authority's overall framework of accountability and control. The framework is set out in its constitution. The Council is also responsible for monitoring compliance with the agreed policy and related Cabinet decisions.
- A.3** The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

THE CABINET

- A.4** The Cabinet is responsible for proposing the policy framework and budget to the Council, and for discharging Cabinet functions in accordance with the policy framework and budget.
- A.5** Cabinet decisions can be delegated to an individual Cabinet member, an officer or a joint committee.
- A.6** The Cabinet is responsible for establishing protocols to ensure that individual Cabinet members consult with relevant officers before taking a decision within his or her delegated authority. In doing so, the individual member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

COMMITTEES OF THE COUNCIL

A.7 The Council has established the following committees:

- Overview and Scrutiny
- Planning
- Regulatory and Licensing
- Audit and Member Standards Committee
- Employment Committee

A.8 The functions of these Committees can be found at Part 3 of the Constitution.

THE STATUTORY OFFICERS

THROUGHOUT THESE PROCEDURE RULES REFERENCES TO THE HEAD OF PAID SERVICE, CHIEF FINANCE OFFICER, MONITORING OFFICER, LEADERSHIP TEAM AND DIRECTORS SHOULD BE CONSTRUED WITH REFERENCE TO DEFINITIONS IN ARTICLE 12 OF THIS CONSTITUTION.

Head of Paid Service

A.9 The Head of Paid Service is responsible for the corporate and overall strategic management of the authority as a whole. He or she must report to and provide information for the Cabinet, the Council, the Overview and Scrutiny Committee and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the Council's decisions (see below).

Monitoring Officer

A.10 The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Audit and Member Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to the Cabinet, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

A.11 The Monitoring Officer must ensure that Cabinet decisions and the reasons for them are made public. He or she must also ensure that council members are aware of decisions made by the Cabinet.

- A.12** The Monitoring Officer is responsible for advising all councillors and officers about who has authority to take a particular decision.
- A.13** The Monitoring Officer is responsible for advising the Cabinet or Council about whether a decision is likely to be considered contrary to or not wholly in accordance with the policy framework.
- A.14** The Monitoring Officer (together with the Chief Finance Officer) is responsible for advising the Cabinet or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:
- initiating a new policy
 - committing expenditure in future years to above the budget level
 - incurring inter-service transfers above virement limits
 - causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.
- A.15** The Monitoring Officer is responsible for maintaining an up-to-date Constitution.

Chief Finance Officer

- A.16** The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden.

The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2011.

- A.17** The Chief Finance Officer is responsible for:
- the proper administration of the authority's financial affairs
 - setting and monitoring compliance with financial management standards
 - advising on the corporate financial position and on the key financial controls necessary to secure sound financial management

- providing financial information
- preparing the revenue budget and capital programme
- treasury management.

A.18 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Council, Cabinet and external auditor if the authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- is about to make an unlawful entry in the authority's accounts.

Section 114 of the 1988 Act also requires:

- the Chief Finance Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally
- the authority to provide the Chief Finance Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114.

MEMBERS OF LEADERSHIP TEAM

A.19 Members of Leadership Team are responsible for:

- ensuring that Cabinet members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer

A.20 It is the responsibility of members of Leadership Team to consult with the Chief Finance Officer and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred.

OTHER FINANCIAL ACCOUNTABILITIES

Virement

- A.21** The Council is responsible for agreeing procedures for virement of expenditure between budget headings.
- A.22** Members of Leadership Team are responsible for agreeing in-year virements within delegated limits, in consultation with the Chief Finance Officer where required. They must notify the Chief Finance Officer of all virements.

Accounting policies

- A.23** The Chief Finance Officer is responsible for selecting accounting policies and ensuring that they are applied consistently.

Accounting records and returns

- A.24** The Chief Finance Officer is responsible for determining the accounting procedures and records for the authority.

The annual statement of accounts

- A.25** The Chief Finance Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC). The Audit Committee is responsible for approving the annual statement of accounts.

FINANCIAL REGULATION B: FINANCIAL PLANNING

INTRODUCTION

B.1 The Council is responsible for agreeing the authority's policy framework and budget, which will be proposed by the Cabinet. In terms of financial planning, the key elements are:

- the Strategic Plan
- the medium term financial strategy
- the budget
- the capital programme

POLICY FRAMEWORK

B.2 The Council is responsible for approving the policy framework and budget. The policy framework comprises the following statutory plans and strategies:

- Strategic Plan
- capital programme
- treasury management policy statement
- sustainable community strategy
- crime and disorder reduction strategy?
- plans and strategies which together comprise the development plan
- local development framework
- risk management strategy

B.3 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Decisions should be referred to the Council by the Monitoring Officer.

B.4 The Council is responsible for setting the level at which the Cabinet may vire budget funds from one service to another. The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

Preparation of the Council plan

- B.5** The Chief Executive is responsible for proposing the Council plan to the Cabinet for consideration before its submission to the Council for approval.

CABINET BUDGETING

Budget format

- B.6** The general format of the budget will be approved by the Council and proposed by the Cabinet on the advice of the Chief Finance Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds where necessary.

Budget preparation

- B.7** The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a medium term financial strategy on a rolling five-yearly basis for consideration by the Cabinet, before submission to the Council. The Council may amend the budget or ask the Cabinet to reconsider it before approving it.
- B.8** The Cabinet is responsible for issuing guidance on the general content of the budget in consultation with the Chief Finance Officer as soon as possible following approval by the Council.
- B.9** It is the responsibility of members of Leadership Team to ensure that budget estimates reflecting agreed service plans are submitted to the Cabinet and that these estimates are prepared in line with guidance issued by the Cabinet.

Budget monitoring and control

- B.10** The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis.

B.11 It is the responsibility of members of Leadership Team to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

Resource allocation

B.12 The Chief Finance Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's policy framework.

Preparation of the capital programme

B.13 The Chief Finance Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Cabinet before submission to the Council.

Guidelines

B.14 Guidelines on budget preparation are issued to members and members of Leadership Team by the Cabinet following agreement with the Chief Finance Officer. The guidelines will take account of:

- legal requirements
- medium-term planning prospects
- the Council plan
- available resources
- spending pressures
- best value and other relevant government guidelines
- other internal policy documents
- cross-cutting issues (where relevant)

MAINTENANCE OF RESERVES

B.15 It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the Council on prudent levels of reserves for the authority.

FINANCIAL REGULATION C: RISK MANAGEMENT AND CONTROL OF RESOURCES

INTRODUCTION

- C.1** It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the authority. This should include the proactive participation of all those associated with planning and delivering services.

RISK MANAGEMENT

- C.2** The Audit and Member Standards Committee is responsible for approving the authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Chief Finance Officer is responsible for ensuring that proper insurance exists where appropriate.
- C.3** The Chief Finance Officer is responsible for preparing the authority's risk management policy statement, for promoting it throughout the authority and for advising the Cabinet on proper insurance cover where appropriate.

INTERNAL CONTROL

- C.4** Internal control refers to the systems of control devised by management to help ensure the authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the authority's assets and interests are safeguarded.
- C.5** The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- C.6** It is the responsibility of members of Leadership Team to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

AUDIT REQUIREMENTS

- C.7** The Accounts and Audit Regulations 2015 issued by the Secretary of State for Communities and Local Government require every local authority to maintain an adequate and effective internal audit.

- C.8** The Public Sector Audit Appointments Ltd is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by part 5 of the Local Audit and Accountability Act 2014.
- C.9** The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

PREVENTING FRAUD AND CORRUPTION

- C.10** The Chief Finance Officer is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

ASSETS

- C.11** Members of Leadership Team should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

TREASURY MANAGEMENT

- C.12** The authority has adopted CIPFA's Code of Practice for Treasury Management in the Public Services.
- C.13** The Council is responsible for approving the treasury management policy statement setting out the matters detailed in chapter 6 of CIPFA's Code of Practice for Treasury Management in the Public Services. The policy statement is proposed to the Council by the Chief Finance Officer. The Chief Finance Officer has delegated responsibility for implementing and monitoring the statement.
- C.14** All money in the hands of the authority is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, the Chief Finance Officer.
- C.15** The Chief Finance Officer is responsible for reporting to the Audit Committee a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- C.16** All Cabinet decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's *Code of Practice for Treasury Management in the Public Services*.

- C.17** The Chief Finance Officer is responsible for reporting to the Audit and member Standards Committee not less than four times in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

STAFFING

- C.18** The Council is responsible for determining how officer support for Cabinet and non-Cabinet roles within the authority will be organised.
- C.19** The Head of Paid Service is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

FINANCIAL REGULATION D: SYSTEMS AND PROCEDURES

INTRODUCTION

- D.1** Sound systems and procedures are essential to an effective framework of accountability and control.

GENERAL

- D.2** The Chief Finance Officer is responsible for the operation of the authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by members of the Leadership Team to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer. However, members of the Leadership Team are responsible for the proper operation of financial processes in their own service areas.
- D.3** Any changes to agreed procedures by members of the Leadership Team to meet their own specific service needs should be agreed with the Chief Finance Officer.
- D.4** Members of Leadership Team should ensure that their staff receive relevant financial training that has been approved by the Chief Finance Officer.
- D.5** Members of the Leadership Team must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Members of the Leadership Team must ensure that staff are aware of their responsibilities under freedom of information legislation.

INCOME AND EXPENDITURE

- D.6** It is the responsibility of members of the Leadership Team to ensure that a proper scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify staff authorised to act on the member of the Leadership Team's behalf, or on behalf of the Cabinet, in respect of payments, income collection and placing orders, together with the limits of their authority. The Cabinet is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

PAYMENTS TO EMPLOYEES AND MEMBERS

- D.7** The Chief Finance Officer is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to members.

TAXATION

- D.8** The Chief Finance Officer is responsible for advising members of Leadership Team, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the authority.
- D.9** The Chief Finance Officer is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

TRADING ACCOUNTS/BUSINESS UNITS

- D.10** It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts and business units.

FINANCIAL REGULATION E: EXTERNAL ARRANGEMENTS

INTRODUCTION

- E.1** The local authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

PARTNERSHIPS

- E.2** The Cabinet is responsible for approving frameworks for partnerships. The Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- E.3** The Cabinet can delegate its functions - including those relating to partnerships - to officers. The functions of the Cabinet, including a scheme of delegation, are approved by the Council and form Part 3 of this Constitution. Where functions are further delegated, the Cabinet remains accountable for them to the Council.
- E.4** The Authority is represented on partnership and external bodies at member and officer levels as appropriate.
- E.5** The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct with regard to administration in partnerships that apply throughout the authority.
- E.6** The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.
- E.7** Members of Leadership Team are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

EXTERNAL FUNDING

- E.8** The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

WORK FOR THIRD PARTIES

- E.9** The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.

Appendix A Financial Management

FINANCIAL MANAGEMENT STANDARDS

Why is this important?

- 1.01** All staff and members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

Key controls

- 1.02** The key controls and control objectives for financial management standards are:
- (a) their promotion throughout the authority
 - (b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Cabinet and Council.

Responsibilities of the Chief Finance Officer

- 1.03** To ensure the proper administration of the financial affairs of the authority.
- 1.04** To set the financial management standards and to monitor compliance with them.
- 1.05** To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority.
- 1.06** To advise on the key strategic controls necessary to secure sound financial management.
- 1.07** To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of members of the Leadership Team

- 1.08** To promote the financial management standards set by the Chief Finance Officer in their service areas and to monitor adherence to the standards and practices, liaising as necessary with the Chief Finance Officer.
- 1.09** To promote sound financial practices in relation to the standards, performance and development of staff in their service areas.

MANAGING EXPENDITURE

Scheme of virement

Why is this important?

- 1.10** The scheme of virement is intended to enable the Cabinet, members of the Leadership Team and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.

Key controls

- 1.11** Key controls for the scheme of virement are:
- (a) it is administered by the Chief Finance Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Council.
 - (b) the overall budget is agreed by the Cabinet and approved by the Council. Members of the Leadership Team and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the approved estimates report, for example the “Supplies and Services” line within a service’s budget.
 - (c) virement does not create additional overall budget liability. Members of the Leadership Team are expected to exercise their discretion in managing their budgets responsibly and prudently. Any virement that would result in a change of policy or a new policy, or that would result in an increased ongoing commitment for the Council will require the approval of the Council.

- (d) a proposed virement in excess of £25,000 must be the subject of a joint report by the Chief Finance Officer and the proposing member of the Leadership Team to the Cabinet.

Responsibilities of the Chief Finance Officer

- 1.12** To prepare jointly with the member of the Leadership Team a report to the Cabinet where virements in excess of £25,000 are proposed.

Responsibilities of members of Leadership Team and

- 1.13** A member of the Leadership Team may exercise virement on budgets under his or her control on any one budget head during the year, following notification to the Chief Finance Officer.

- 1.14** The prior approval of the relevant member of the Cabinet is required for any virement, of whatever amount, where it is proposed to:

- vire between budget heads within a single service budget
- vire between two or more service budgets

- 1.15** The prior approval of the Cabinet is required for any virement, of whatever amount, where it is proposed to:

- vire between budgets of different Cabinet members
- vire between budgets managed by different members of the Leadership Team

- 1.16** Virement that is likely to impact on the level of service activity of another member of the Leadership Team should be implemented only after agreement with the relevant member of the Leadership Team.

- 1.17** No virement relating to a specific financial year should be made after 31 March in that year.

- 1.18** Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- (a) the amount is used in accordance with the purposes for which it has been established.

- (b) the Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet.

ACCOUNTING POLICIES

Why is this important?

1.19 The Chief Finance Officer is responsible for the preparation of the authority's statement of accounts, in accordance with proper practices as set out in the format required by the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC), for each financial year ending 31 March.

Key controls

1.20 The key controls for accounting policies are:

- (a) systems of internal control are in place that ensure that financial transactions are lawful
- (b) suitable accounting policies are selected and applied consistently
- (c) proper accounting records are maintained
- (d) financial statements are prepared which present fairly the financial position of the authority and its expenditure and income.

Responsibilities of the Chief Finance Officer

1.21 To select suitable accounting policies and to ensure that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:

- (a) separate accounts for capital and revenue transactions
- (b) the basis on which debtors and creditors at year end are included in the accounts
- (c) details on substantial provisions and reserves
- (d) fixed assets
- (e) depreciation
- (f) capital charges
- (g) work in progress
- (h) stocks and stores
- (i) deferred charges
- (j) accounting for value added tax
- (k) government grants

- (l) leasing
- (m) pensions

Responsibilities of members of Leadership Team

- 1.22** To adhere to the accounting policies and guidelines approved by the Chief Finance Officer.

ACCOUNTING RECORDS AND RETURNS

Why is this important?

- 1.23** Maintaining proper accounting records is one of the ways in which the authority discharges its responsibility for stewardship of public resources. The authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

Key controls

- 1.24** The key controls for accounting records and returns are:
- (a) all Cabinet members, finance staff and budget managers operate within the required accounting standards and timetables
 - (b) all the authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis
 - (c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure
 - (d) reconciliation procedures are carried out to ensure transactions are correctly recorded
 - (e) prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the Chief Finance Officer

- 1.25** To determine the accounting procedures and records for the authority. Where these are maintained outside the finance service area, the Chief Finance Officer should consult the member of the Leadership Team concerned.
- 1.26** To arrange for the compilation of all accounts and accounting records under his or her direction.
- 1.27** To comply with the following principles when allocating accounting duties:
 - (a) separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
 - (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 1.28** To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit Regulations 2015.
- 1.29** To ensure that all claims for funds including grants are made by the due date.
- 1.30** To prepare and publish the audited accounts of the authority for each financial year, in accordance with the statutory timetable.
- 1.31** To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule.

Responsibilities of members of the Leadership Team

- 1.32** To consult and obtain the approval of the Chief Finance Officer before making any changes to accounting records and procedures.
- 1.33** To comply with the policies referred to in paragraph 1.38 when allocating accounting duties.
- 1.34** To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.
- 1.35** To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Chief Finance Officer.

THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

- 1.36** The authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Audit and Member Standards Committee is responsible for approving the statutory annual statement of accounts.

Key controls

- 1.37** The key controls for the annual statement of accounts are:
- the authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this authority, that officer is the Chief Finance Officer
 - the authority's statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA/LASAAC).

Responsibilities of the Chief Finance Officer

- 1.38** To select suitable accounting policies and to apply them consistently.
- 1.39** To make judgments and estimates that are reasonable and prudent.
- 1.40** To comply with the Code of Practice on Local Authority Accounting in the United Kingdom.
- 1.41** To sign and date the statement of accounts, stating that it gives a true and fair view of the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 20xx.
- 1.42** To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of members of the Leadership Team

- 1.43** To comply with accounting guidance provided by the Chief Finance Officer and to supply the Chief Finance Officer with information when required.

Appendix B Financial Planning

PERFORMANCE PLANS

Why is this important?

2.01 Each local authority has a statutory responsibility to publish various performance plans, crime reduction strategies, etc. The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement.

Key controls

2.02 The key controls for performance plans are:

(a) to ensure that all relevant plans are produced and that they are consistent

(b) to produce plans in accordance with statutory requirements

(c) to meet the timetables set

(d) to ensure that all performance information is accurate, complete and up to date

(e) to provide improvement targets which are meaningful, realistic and challenging.

Responsibilities of the Chief Finance Officer

2.03 To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.

2.04 To contribute to the development of corporate and service targets and objectives and performance information.

2.05 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

2.06 To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

Responsibilities of members of the Leadership Team

- 2.07** To contribute to the development of performance plans in line with statutory requirements.
- 2.08** To contribute to the development of corporate and service targets and objectives and performance information.

BUDGETING

Format of the budget

Why is this important?

- 2.09** The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of cash limits and sets the level at which funds may be reallocated within budgets.

Key controls

- 2.10** The key controls for the budget format are:
- (a) the format complies with all legal requirements
 - (b) the format complies with CIPFA's Service Reporting Code of Practice for Local Authorities
 - (c) the format reflects the accountabilities of service delivery.

Responsibilities of the Chief Finance Officer

- 2.11** To advise the Cabinet on the format of the budget that is approved by the Council.

Responsibilities of members of the Leadership Team

- 2.12** To comply with accounting guidance provided by the Chief Finance Officer.

Revenue budget preparation, monitoring and control

Why is this important?

- 2.13** Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly

accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

- 2.14** By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity. The authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the authority in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it.
- 2.15** For the purposes of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the member of the Leadership Team.

Key controls

- 2.16** The key controls for managing and controlling the revenue budget are:
- (a) budget managers should be responsible only for income and expenditure that they can influence
 - (b) there is a nominated budget manager for each cost centre heading
 - (c) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
 - (d) budget managers follow an approved certification process for all expenditure
 - (e) income and expenditure are properly recorded and accounted for
 - (f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budgets.

Responsibilities of the Chief Finance Officer

- 2.17** To establish an appropriate framework of budgetary management and control that ensures that:
- (a) budget management is exercised within annual cash limits unless the Council agrees otherwise.

- (b) each member of the Leadership Team has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
- (c) expenditure is committed only against an approved budget head.
- (d) all officers responsible for committing expenditure comply with relevant guidance, and the financial procedure rules.
- (e) each cost centre has a single named manager, determined by the relevant member of the Leadership Team. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure.
- (f) significant variances from approved budgets are investigated and reported by budget managers regularly.

2.18 To administer the authority's scheme of virement.

2.19 To submit reports to the Cabinet and to the Council, in consultation with the relevant member of the Leadership Team, where a member of the Leadership Team is unable to balance expenditure and resources within existing approved budgets under his or her control.

2.20 To prepare and submit reports on the authority's projected income and expenditure compared with the budget on a regular basis.

Responsibilities of members of the Leadership Team

2.21 To maintain budgetary control within their service areas, in adherence to the principles in 2.17, and to ensure that all income and expenditure is properly recorded and accounted for.

2.22 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the member of the Leadership Team (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

2.23 To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking

appropriate corrective action where significant variations from the approved budget are forecast.

- 2.24** To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.
- 2.25** To prepare and submit to the Cabinet reports on the service's projected expenditure compared with its budget, in consultation with the Chief Finance Officer.
- 2.26** To ensure prior approval by the Council or Cabinet (as appropriate) for new proposals, of whatever amount, that:
 - (a) create financial commitments in future years
 - (b) change existing policies, initiate new policies or cease existing policies
 - (c) materially extend or reduce the authority's services.
- 2.27** To ensure compliance with the scheme of virement.
- 2.28** To agree with the relevant member of the Leadership Team where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or member of Leadership Team level of service activity.

Budgets and medium-term planning

Why is this important?

- 2.29** The authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the authority's plans and policies.
- 2.30** The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets (spending plans) are needed so that the authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.
- 2.31** Medium-term planning (or a three- to five-year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the authority is always preparing for events in advance.

Key controls

- 2.32** The key controls for budgets and medium-term planning are:
- (a) specific budget approval for all expenditure
 - (b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet for their budgets and the level of service to be delivered
 - (c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

Responsibilities of the Chief Finance Officer

- 2.33** To prepare and submit reports on budget prospects for the Cabinet, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- 2.34** To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the Council, and after consultation with the Cabinet and members of the Leadership Team.
- 2.35** To prepare and submit reports to the Cabinet on the aggregate spending plans of service areas and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied.
- 2.36** To advise on the medium-term implications of spending decisions.
- 2.37** To encourage the best use of resources and value for money by working with members of the Leadership Team to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- 2.38** To advise the Council on Cabinet proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.

Responsibilities of members of the Leadership Team

- 2.39** To prepare estimates of income and expenditure, in consultation with the Chief Finance Officer, to be submitted to the Cabinet.

- 2.40** To prepare budgets that are consistent with any relevant cash limits, with the authority's annual budget cycle and with guidelines issued by the Cabinet. The format should be prescribed by the Chief Finance Officer in accordance with the Council's general directions.
- 2.41** To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.42** In consultation with the Chief Finance Officer and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the appropriate committee.
- 2.43** When drawing up draft budget requirements, to have regard to:
- (a) spending patterns and pressures revealed through the budget monitoring process
 - (b) legal requirements
 - (c) policy requirements as defined by the Council in the approved policy framework
 - (d) initiatives already under way.

Resource allocation

Why is this important?

- 2.44** A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key controls

- 2.45** The key controls for resource allocation are:
- (a) resources are acquired in accordance with the law and using an approved authorisation process
 - (b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for

- (c) resources are securely held for use when required
- (d) resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities of the Chief Finance Officer

- 2.46** To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.
- 2.47** To assist in the allocation of resources to budget managers.

Responsibilities of members of the Leadership Team

- 2.48** To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.
- 2.49** To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

Capital programmes

Why is this important?

- 2.50** Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 2.51** The Prudential Code places controls on the financing capacity of the authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key controls

2.52 The key controls for capital programmes are:

- (a) specific approval by the Council for the programme of capital expenditure
- (b) expenditure on capital schemes is subject to the approval of the Chief Finance Officer

- (c) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Cabinet
- (d) proposals for improvements and alterations to buildings must be approved by the appropriate member of the Leadership Team
- (e) the development and implementation of asset management plans
- (f) accountability for each proposal is accepted by a named manager
- (g) monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Chief Finance Officer

- 2.53** To prepare capital estimates jointly with members of the Leadership Team and to report them to the Cabinet for approval. The Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the Council.
- 2.54** To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Chief Finance Officer, having regard to government regulations and accounting requirements.
- 2.54** To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision by more than 10% of the original sum.

Responsibilities of members of the Leadership Team

- 2.58** To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.
- 2.59** To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer.
- 2.60** To ensure that adequate records are maintained for all capital contracts.

- 2.61** To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Chief Finance Officer, where required.
- 2.62** To prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, of any variation in contract costs greater than the approved limits. The Cabinet may meet cost increases of up to 10% by virement from savings elsewhere within their capital programme.
- 2.63** To prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than 10% of the original sum.
- 2.64** To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, if applicable, approval of the scheme through the capital programme.

MAINTENANCE OF RESERVES

Why is this important?

- 2.66** The local authority must decide the level of general reserves it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained, such as the purchase or renewal of capital items.

Key controls

- 2.67** To maintain reserves in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC) and agreed accounting policies.
- 2.68** For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 2.69** Authorisation and expenditure from reserves by the appropriate member of the Leadership Team or Assistant Director in consultation with the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

- 2.70** To advise the Cabinet and/or the Council on prudent levels of reserves for the authority, and to take account of the advice of the external auditor in this matter.

Responsibilities of members of the Leadership Team

- 2.71** To ensure that resources are used only for the purposes for which they were intended.

Appendix C Risk Management and Control of Resources

RISK MANAGEMENT

Why is this important?

- 3.01** All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.
- 3.02** It is the overall responsibility of the Audit Committee to approve the authority's risk management strategy, and to promote a culture of risk management awareness throughout the authority.

Key controls

- 3.03** The key controls for risk management are:
- (a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the authority
 - (b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis
 - (c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives
 - (d) provision is made for losses that might result from the risks that remain
 - (e) procedures are in place to investigate claims within required timescales

- (f) acceptable levels of risk are determined and insured against where appropriate
- (g) the authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Chief Finance Officer

- 3.04** To prepare and promote the authority's risk management policy statement.
- 3.05** To develop risk management controls in conjunction with other members of Leadership Team.
- 3.06** To include all appropriate employees of the authority in a suitable fidelity guarantee insurance.
- 3.07** To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

Responsibilities of members of the Leadership Team

- 3.08** To notify the Head of Corporate Services immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the Chief Finance Officer or the authority's insurers.
- 3.09** To take responsibility for risk management, having regard to advice from the Head of Corporate Services and other specialist officers (e.g. crime prevention, fire prevention, health and safety).
- 3.10** To ensure that there are regular reviews of risk within their service areas.
- 3.11** To notify the Head of Corporate Services promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- 3.12** To consult the Head of Corporate Services and the Monitoring Officer on the terms of any indemnity that the authority is requested to give.
- 3.13** To ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

INTERNAL CONTROLS

Why is this important?

- 3.14** The authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- 3.15** The authority has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- 3.16** The authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
- 3.17** The system of internal controls is established in order to provide measurable achievement of:
- (a) efficient and effective operations
 - (b) reliable financial information and reporting
 - (c) compliance with laws and regulations
 - (d) risk management.

Key controls

- 3.18 The key controls and control objectives for internal control systems are:**
- (a) key controls should be reviewed on a regular basis and the authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively
 - (b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities
 - (c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems

- (d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN) and with any other statutory obligations and regulations.

Responsibilities of the Chief Finance Officer

- 3.19** To assist the authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

Responsibilities of members of Leadership Team

- 3.20** To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- 3.21** To review existing controls in the light of changes affecting the authority and to establish and implement new ones in line with guidance from the Chief Finance Officer. Members of the Leadership Team should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 3.22** To ensure staff have a clear understanding of the consequences of lack of control.

AUDIT REQUIREMENTS

Internal audit

Why is this important?

- 3.23** The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 2015 (SI 2015/234), regulation 6, more specifically require that a “relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control”.
- 3.24** Accordingly, internal audit is an independent and objective appraisal function established by the authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a

contribution to the proper, economic, efficient and effective use of resources. In order to maintain its independence the service is managed by the Chief Executive.

Key controls

3.25 The key controls for internal audit are:

- (a) that it is independent in its planning and operation
- (b) the head of internal audit has direct access to the Head of Paid Service, Chief Finance Officer, all levels of management and directly to elected members
- (c) the internal auditors comply with the UK Public Sector Internal Audit Standards (PSIAS) and Local Government Application Note (LGAN).

Responsibilities of the Chief Finance Officer

3.26 To ensure that internal auditors have the authority to:

- (a) access authority premises at reasonable times
- (b) access all assets, records, documents, correspondence and control systems
- (c) receive any information and explanation considered necessary concerning any matter under consideration
- (d) require any employee of the authority to account for cash, stores or any other authority asset under his or her control
- (e) access records belonging to third parties, such as contractors, when required
- (f) directly access the Head of Paid Service, the Cabinet and Audit and Member Standards Committee.

3.27 To review the strategic and annual audit plans prepared by the head of internal audit, which take account of the characteristics and relative risks of the activities involved.

3.28 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of members of the Leadership Team

- 3.29** To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.
- 3.30** To ensure that auditors are provided with any information and explanations that they seek in the course of their work.
- 3.31** To consider and respond promptly to recommendations in audit reports.
- 3.32** To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.
- 3.33** To notify the Chief Finance Officer immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the authority's property or resources. Pending investigation and reporting, the member of the Leadership Team should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.
- 3.34** To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the head of internal audit prior to implementation.

External audit

Why is this important?

- 3.35** The Public Sector Audit Appointments Ltd is responsible for appointing external auditors to each local authority. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.36** The basic duties of the external auditor are defined in the Local Audit and Accountability Act 2014. In particular, part 5 of the 2014 Act requires the Comptroller and Auditor General to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice issued in April 2015 sets out the auditor's principal objectives which are to review and report upon, to the extent required by the relevant legislation and the requirements of the Code, the audited body's:
 - (a) financial statements
 - (b) arrangements for securing economy, efficiency and effectiveness in its use of resources.

- 3.37** The authority's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts gives a 'true and fair view' the financial position of the authority and its income and expenditure for the year in question and complies with the legal requirements.

Key controls

- 3.38** External auditors are appointed by the Audit Commission normally for a minimum period of five years. The Audit Commission prepares a code of audit practice, which external auditors follow when carrying out their audits.

Responsibilities of the Chief Finance Officer

- 3.39** To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.
- 3.40** To ensure there is effective liaison between external and internal audit.
- 3.41** To work with the external auditor and advise the Council, Cabinet and members of the Leadership Team on their responsibilities in relation to external audit.

Responsibilities of members of Leadership Team

- 3.42** To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- 3.43** To ensure that all records and systems are up to date and available for inspection.

PREVENTING FRAUD AND CORRUPTION

Why is it this important?

- 3.44** The authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority.
- 3.45** The authority's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.46** The authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the

authority with integrity and without thought or actions involving fraud and corruption.

Key controls

3.47 The key controls regarding the prevention of financial irregularities are that:

- (a) the authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption
- (b) all members and staff act with integrity and lead by example
- (c) senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt
- (d) high standards of conduct are promoted amongst members by the Audit and Member Standards Committee
- (e) the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded
- (f) whistle blowing procedures are in place and operate effectively
- (g) legislation including the Public Interest Disclosure Act 1998 is adhered to.

Responsibilities of the Chief Finance Officer

3.48 To develop and maintain an anti-fraud and anti-corruption policy.

3.49 To maintain adequate and effective internal control arrangements.

3.50 To ensure that all suspected irregularities are reported to the chief internal auditor, the Head of Paid Service, the Cabinet and the Audit and Member Standards Committee.

Responsibilities of members of the Leadership Team

3.51 To ensure that all suspected irregularities are reported to the chief internal auditor.

3.52 To instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

3.53 To ensure that where financial impropriety is discovered, the Chief Finance Officer is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.

3.54 To ensure that any interests are entered into the Council's register of interests.

ASSETS

Security

Why is this important?

3.55 The authority holds assets in the form of property, vehicles, equipment, furniture and other items worth millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

Key controls

3.56 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

- (a) resources are used only for the purposes of the authority and are properly accounted for
- (b) resources are available for use when required
- (c) resources no longer required are disposed of in accordance with the law and the procedure rules of the authority so as to maximise benefits
- (d) an asset register is maintained for the authority, assets are recorded when they are acquired by the authority and this record is updated as changes occur with respect to the location and condition of the asset
- (e) all staff are aware of their responsibilities with regard to safeguarding the authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation
- (f) all staff are aware of their responsibilities with regard to safeguarding the security of the authority's computer systems, including maintaining

restricted access to the information held on them and compliance with the authority's computer and internet security policies.

Responsibilities of the Chief Finance Officer

- 3.57** To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £10,000 (equipment) and £25,000 (land and property). The function of the asset register is to provide the authority with information about fixed assets so that they are:
- safeguarded
 - used efficiently and effectively
 - adequately maintained.
- 3.58** To receive the information required for accounting, costing and financial records from each member of the Leadership Team.
- 3.59** To ensure that assets are valued in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom* (CIPFA/LASAAC).

Responsibilities of members of the Leadership Team

- 3.60** To ensure that lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the member of the Leadership Team in consultation with the Chief Finance Officer, has been established as appropriate.
- 3.61** To ensure the proper security of all buildings and other assets under their control.
- 3.62** Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the member of the Leadership Team and the Chief Finance Officer to the Monitoring Officer.
- 3.63** To pass title deeds to the Monitoring Officer who is responsible for custody of all title deeds.
- 3.64** To ensure that no authority asset is subject to personal use by an employee without proper authority.
- 3.65** To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority.

- 3.66** To ensure that the service area maintains a register of moveable assets in accordance with arrangements defined by the Chief Finance Officer.
- 3.67** To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 3.68** To consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 3.69** To ensure cash holdings on premises are kept to a minimum.
- 3.70** To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer as soon as possible.
- 3.71** To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Chief Finance Officer, the Cabinet agrees otherwise.
- 3.72** To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.

Inventories

- 3.73** To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above £1,000 in value.
- 3.74** To carry out an annual check of all items on the inventory in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the authority.
- 3.75** To make sure that property is only used in the course of the authority's business, unless the member of the Leadership Team concerned has given permission otherwise.

Stocks and stores

- 3.76** To make arrangements for the care and custody of stocks and stores in the service area.
- 3.77** To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All significant discrepancies should be investigated and pursued to a satisfactory conclusion.
- 3.78** To investigate and remove from the authority's records (i.e. write off) discrepancies as necessary, or to obtain Cabinet approval if they are in excess of a predetermined limit.
- 3.79** To authorise or write off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation with the Chief Finance Officer, the Cabinet decides otherwise in a particular case.
- 3.80** To seek Cabinet approval to the write-off of redundant stocks and equipment in excess of a predetermined sum.

Asset disposal

Why is this important?

- 3.81** It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the procedure rules of the authority.

Key controls

- 3.82** Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the authority, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.
- 3.83** Procedures protect staff involved in the disposal from accusations of personal gain.

Responsibilities of the Chief Finance Officer

- 3.84** To issue guidelines representing best practice for disposal of assets.
- 3.85** To ensure appropriate accounting entries are made to remove the value of disposed assets from the authority's records and to include the sale proceeds if appropriate.

Responsibilities of members of the Leadership Team

- 3.86** To seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment.
- 3.87** To ensure that income received for the disposal of an asset is properly banked and coded.

TREASURY MANAGEMENT

Why is this important?

- 3.88** Many millions of pounds pass through the authority's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's capital sum.

Key controls

- 3.89** That the authority's borrowings and investments comply with the CIPFA *Code of Practice on Treasury Management* and with the authority's treasury policy statement.

Responsibilities of Chief Finance Officer – treasury management and banking

- 3.90** To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA *Code of Practice on Treasury Management* and the authority's treasury management policy statement and strategy.
- 3.91** To report four times a year on treasury management activities to the Audit Committee.
- 3.92** To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Chief Finance Officer.

Responsibilities of members of the Leadership Team– treasury management and banking

- 3.93** To follow the instructions on banking issued by the Chief Finance Officer.

Responsibilities of Chief Finance Officer – investments and borrowing

- 3.94** To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by the Council.
- 3.95** To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate member of the Leadership Team.
- 3.96** To effect all borrowings in the name of the authority.
- 3.97** To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of members of the Leadership Team – investments and borrowing

- 3.98** To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the Council, following consultation with the Chief Finance Officer.

Responsibilities of members of the Leadership Team – trust funds and funds held for third parties

- 3.99** To arrange for all trust funds to be held, wherever possible, in the name of the authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.
- 3.100** To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.
- 3.101** To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

Responsibilities of the Chief Finance Officer – imprest accounts

- 3.102** To provide employees of the authority with cash or bank imprest accounts to meet minor expenditure on behalf of the authority and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.

- 3.103** To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- 3.104** To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

Responsibilities of members of the Leadership Team – imprest accounts

- 3.105** To ensure that employees operating an imprest account:
- (a) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained
 - (b) make adequate arrangements for the safe custody of the account
 - (c) produce upon demand by the Chief Finance Officer cash and all vouchers to the total value of the imprest amount
 - (d) record transactions promptly
 - (e) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
 - (f) provide the Chief Finance Officer with a certificate of the value of the account held at 31 March each year
 - (g) ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made
 - (h) on leaving the authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Chief Finance Officer for the amount advanced to him or her.

STAFFING

Why is this important?

- 3.106** In order to provide the highest level of service, it is crucial that the authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

Key controls

3.107 The key controls for staffing are:

- (a) an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched
- (b) procedures are in place for forecasting staffing requirements and cost
- (c) controls are implemented that ensure that staff time is used efficiently and to the benefit of the authority
- (d) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy.

Responsibilities of the Chief Finance Officer

3.108 To ensure that budget provision exists for all existing and new employees.

3.109 To act as an advisor to members of the Leadership Team on areas such as National Insurance and pension contributions, as appropriate.

Responsibilities of members of the Leadership Team

3.110 To produce an annual staffing budget in consultation with the Chief Finance Officer.

3.111 To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).

3.112 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.

3.113 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.

3.114 To ensure that the Head of Corporate Services and the Chief Finance Officer are immediately informed if the staffing budget is likely to be materially over or underspent.

Appendix D Financial Systems and Procedures

GENERAL

Why is this important?

- 4.01** Service areas have many systems and procedures relating to the control of the authority's assets, including purchasing, costing and management systems. Service areas are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.02** The Chief Finance Officer has a professional responsibility to ensure that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

Key controls

The key controls for systems and procedures are:

- (a) basic data exists to enable the authority's objectives, targets, budgets and plans to be formulated
- (b) performance is communicated to the appropriate managers on an accurate, complete and timely basis
- (c) early warning is provided of deviations from target, plans and budgets that require management attention
- (d) operating systems and procedures are secure.

Responsibilities of the Chief Finance Officer

- 4.03 To make arrangements for the proper administration of the authority's financial affairs, including to:**
- (a) issue advice, guidance and procedures for officers and others acting on the authority's behalf
 - (b) determine the accounting systems, form of accounts and supporting financial records
 - (c) establish arrangements for audit of the authority's financial affairs

- (d) approve any new financial systems to be introduced
- (e) approve any changes to be made to existing financial systems

Responsibilities of members of the Leadership Team

- 4.04** To ensure that accounting records are properly maintained and held securely.
- 4.05** To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer.
- 4.06** To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- 4.07** To incorporate appropriate controls to ensure that, where relevant:
 - (a) all input is genuine, complete, accurate, timely and not previously processed
 - (b) all processing is carried out in an accurate, complete and timely manner
 - (c) output from the system is complete, accurate and timely.
- 4.08** To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- 4.09** To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 4.10** To ensure that systems are documented and staff trained in operations.
- 4.11** To consult with the Chief Finance Officer before changing any existing system or introducing new systems.
- 4.12** To establish a scheme of delegation identifying officers authorised to act upon the member of the Leadership Team's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 4.13** To supply lists of authorised officers, with specimen signatures and financial limits, to the Chief Finance Officer, together with any subsequent variations.

- 4.14** To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 4.15** To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 4.16** To ensure that relevant standards and guidelines for computer systems issued by the member of the Leadership Team are observed.
- 4.17** To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 4.18** To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
- (a) only software legally acquired and installed by the authority is used on its computers
 - (b) staff are aware of legislative provisions
 - (c) in developing systems, due regard is given to the issue of intellectual property rights.

INCOME AND EXPENDITURE

Income

Why is this important?

- 4.19** Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost of administering debts.

Key controls

- 4.20** The key controls for income are:

- (a) all income due to the authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
- (b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- (c) all money received by an employee on behalf of the authority is paid without delay to the Chief Finance Officer or, as he or she directs, to the authority's bank account and properly recorded. The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received
- (d) effective action is taken to pursue non-payment within defined timescales
- (e) formal approval for debt write-off is obtained
- (f) appropriate write-off action is taken within defined timescales
- (g) appropriate accounting adjustments are made following write-off action
- (h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- (i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities of the Chief Finance Officer

- 4.21** To agree arrangements for the collection of all income due to the authority and to approve the procedures, systems and documentation for its collection.
- 4.22** To order and supply to service areas all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- 4.23** To agree the write-off of bad debts up to an approved limit in each case and to refer larger sums to the appropriate member of the Cabinet.
- 4.24** To approve all debts to be written off in consultation with the relevant member of the Leadership Team and to keep a record of all sums written off up to the approved limit of £1,000 and to adhere to the requirements of the Accounts and Audit Regulations 2015.

- 4.25** To obtain the approval of the appropriate member of the Cabinet in consultation with the relevant member of the Leadership Team for writing off debts in excess of the approved limit of £1,000.
- 4.26** To ensure that appropriate accounting adjustments are made following write-off.

Responsibilities of members of the Leadership Team

- 4.27** To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- 4.28** To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 4.29** To authorise appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 4.30** To issue official receipts or to maintain other documentation for income collection.
- 4.31** To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 4.32** To hold securely receipts, tickets and other records of income for the appropriate period.
- 4.33** To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- 4.34** To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
- 4.35** To ensure income is not used to cash personal cheques or other payments.
- 4.36** To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this, members of the Leadership Team should use established performance management systems to monitor recovery of income and flag up areas of concern to the Chief Finance Officer. Members of the Leadership Team have a responsibility to assist the Chief Finance Officer in collecting debts that

they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.

- 4.37** To keep a record of every transfer of money between employees of the authority. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 4.38** To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- 4.39** To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit, and the approval of the appropriate member of the Cabinet where required.
- 4.40** To notify the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and not later than 15 April.

Ordering and paying for work, goods and services

Why is this important?

- 4.41** Public money should be spent with demonstrable probity and in accordance with the authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. Regard shall be had at all times to the Council's procurement strategy. These procedures should be read in conjunction with the authority's Contract Procedure Rules on tenders and contracts.

General

- 4.42** Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority, in accordance with appropriate codes of conduct.

- 4.43** Official orders must be in a form approved by the Chief Finance Officer. Official orders must be issued for all work, goods or services to be supplied to the authority, except for supplies of utilities, stationery ordered over the internet in line with the contract for such, purchases made in accordance with the purchasing card scheme, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Chief Finance Officer.
- 4.44** Each order must conform to the guidelines approved by the Council on central purchasing and the standardisation of supplies and materials. Standard terms and conditions must not be varied without the prior approval of the Chief Finance Officer.
- 4.45** Apart from petty cash the normal method of payment from the authority shall be by BACS, CHAPS or cheque, drawn on the authority's bank account by the Chief Finance Officer. The use of direct debit shall require the prior agreement of the Chief Finance Officer.
- 4.46** Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

Key controls

- 4.47** The key controls for ordering and paying for work, goods and services are:
- (a) all goods and services are ordered only by appropriate persons and are correctly recorded
 - (b) all goods and services shall be ordered in accordance with the authority's code of practice for tenders and contracts unless they are purchased from sources within the authority
 - (c) goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
 - (d) payments are not made unless goods have been received by the authority to the correct price, quantity and quality standards
 - (e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method
 - (f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule

- (g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
- (h) in addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Chief Finance Officer

- 4.48** To ensure that all the authority's financial systems and procedures are sound and properly administered.
- 4.49** To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 4.50** To approve the form of official orders and associated terms and conditions.
- 4.51** To make payments from the authority's funds on the member of the Leadership Team's authorisation that the expenditure has been duly incurred in accordance with financial procedure rules.
- 4.52** To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- 4.53** To make payments to contractors on the certificate of the appropriate member of the Leadership Team, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 4.54** To provide advice and encouragement on making payments by the most economical means.
- 4.55** To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

Responsibilities of members of the Leadership Team

- 4.56** To ensure that unique official orders are used for all goods and services, other than the exceptions specified in 4.43.
- 4.57** To ensure that orders are only used for goods and services provided to the service area. Individuals must not use official orders to obtain goods or services for their private use.

- 4.58** To ensure that only those staff authorised by him or her place orders and to maintain an up-to-date list of such authorised staff. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurement. Value for money should always be achieved.
- 4.59** To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- 4.60** To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- (a) receipt of goods or services
 - (b) that the invoice has not previously been paid
 - (c) that expenditure has been properly incurred and is within budget provision
 - (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (e) correct accounting treatment of tax
 - (f) that the invoice is correctly coded
 - (g) that discounts have been taken where available
 - (h) that appropriate entries will be made in accounting records.
- 4.61** To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who placed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.
- 4.62** To ensure that the service area maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Finance Officer.
- 4.63** To ensure that where payments are to be made on a photocopied or faxed invoice, the invoice is certified by the Chief Finance Officer or some other officer authorised by the Chief Finance Officer.

- 4.64** To encourage suppliers of goods and services to receive payment by the most economical means for the authority, generally BACS. It is essential, however, that payments made by direct debit have the prior approval of the Chief Finance Officer.
- 4.65** To ensure that the service area obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the Monitoring Officer, which are in line with best value principles and contained in the authority's contract procedure rules.
- 4.66** To utilise the central purchasing procedures established by the Monitoring Officer in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the authority's contract procedure rules and will cover:
- (a) authorised officers and the extent of their authority
 - (b) advertisement for tenders
 - (c) selection of tenderers
 - (d) compliance with UK and EC legislation and regulations
 - (e) procedures for the submission, receipt, opening and recording of tenders
 - (f) the circumstances where financial or technical evaluation is necessary
 - (g) procedures for negotiation
 - (h) acceptance of tenders
 - (i) the form of contract documentation
 - (j) cancellation clauses in the event of corruption or bribery
 - (k) contract records
- 4.67** To ensure that employees are aware of the national code of conduct for local government employees (summarised in the procedures and conditions of employment manual).
- 4.68** To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer. This is to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

- 4.69** To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and, in any case, not later than 15 April.
- 4.70** With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 4.71** To notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 4.72** To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.

Payments to employees and members

Why is this important?

- 4.73** Staff costs are the largest item of expenditure for most authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the Council.

Key controls

- 4.74** The key controls for payments to employees and members are:
- (a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
- starters
 - leavers
 - variations
 - enhancements

and that payments are made on the basis of timesheets or claims

- (b) frequent reconciliation of payroll expenditure against approved budget and bank account
- (c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (d) that HM Revenue and Customs regulations are complied with.

Responsibilities of the Chief Finance Officer

- 4.75** To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- 4.76** To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 4.77** To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- 4.78** To make arrangements for paying members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 4.79** To ensure that all salaries and wages are paid monthly by BACS, this being the most economical means.
- 4.80** To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

Responsibilities of members of the Leadership Team

- 4.81** To ensure appointments are made in accordance with the procedure rules of the authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- 4.82** To notify the Chief Finance Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer.
- 4.83** To ensure that adequate and effective systems and procedures are operated, so that:
 - payments are only authorised to bona fide employees
 - payments are only made where there is a valid entitlement
 - potential redundancy liabilities on short term posts are considered

- conditions and contracts of employment are correctly applied
 - employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 4.84** To send an up-to-date list of the names of officers authorised to sign records to the Chief Finance Officer, together with specimen signatures.
- 4.85** To ensure that payroll transactions are processed only through the payroll system. Members of the Leadership Team should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The HM Revenue and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Finance Officer.
- 4.86** To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Chief Finance Officer is informed where appropriate.
- 4.87** To ensure that the Chief Finance Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- 4.88** To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

Responsibilities of members

- 4.89** To submit claims for members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

TAXATION

Why is this important?

- 4.90** Like all organisations, the authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

Key controls

4.91 The key controls for taxation are:

- (a) budget managers are provided with relevant information and kept up to date on tax issues
- (b) budget managers are instructed on required record keeping
- (c) all taxable transactions are identified, properly carried out and accounted for within stipulated timescales
- (d) records are maintained in accordance with instructions
- (e) returns are made to the appropriate authorities within the stipulated timescale.

Responsibilities of the Chief Finance Officer

4.92 To complete all HM Revenue and Customs returns regarding PAYE.

4.93 To complete a monthly return of VAT inputs and outputs to HM Revenue and Customs.

4.94 To provide details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.

4.95 To maintain up-to-date guidance for authority employees on taxation issues in the accounting manual and the tax manual.

Responsibilities of the members of the Leadership Team

4.96 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations.

4.97 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

4.98 To ensure that all persons employed by the authority are added to the authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.

4.99 To follow the guidance on taxation issued by the Chief Finance Officer in the authority's accounting manual and VAT manual.

Appendix E External Arrangements

PARTNERSHIPS

Why is this important?

- 5.01** Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 5.02** Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

General

- 5.03** The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk
 - (b) the ability to access new resources
 - (c) to provide new and better ways of delivering services
 - (d) to forge new relationships.
- 5.04** A partner is defined as either:
- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project
- or
- (b) a body whose nature or status give it a right or obligation to support the project.
- 5.05** Partners participate in projects by:
- (a) acting as a project deliverer or sponsor, solely or in concert with others
 - (b) acting as a project funder or part funder
 - (c) being the beneficiary group of the activity undertaken in a project.
- 5.06** Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives
- (c) be open about any conflict of interests that might arise
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project.

Key controls

5.07 The key controls for authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the authority's financial and contract procedure rules
- (b) to ensure that risk management processes are in place to identify and assess all known risks
- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the Chief Finance Officer

5.08 To advise on effective controls that will ensure that resources are not wasted.

5.09 To advise on the key elements of funding a project. They include:

- (a) a scheme appraisal for financial viability in both the current and future years
- (b) risk appraisal and management
- (c) resourcing, including taxation issues
- (d) audit, security and control requirements
- (e) carry-forward arrangements.

5.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of members of the Leadership Team

- 5.11** To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Chief Finance Officer.
- 5.12** To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Chief Finance Officer.
- 5.13** To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.
- 5.14** To ensure that all agreements and arrangements are properly documented.
- 5.15** To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the authority's statement of accounts concerning material items.

EXTERNAL FUNDING

Why is this important?

- 5.16** External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the authority. Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies such as the National Lottery and the single regeneration budget provide additional resources to enable the authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the authority's overall plan.

Key controls

- 5.17** The key controls for external funding are:
 - (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
 - (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council

- (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Finance Officer

- 5.18** To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.
- 5.19** To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 5.20** To ensure that audit requirements are met.

Responsibilities of members of the Leadership Team

- 5.21** To ensure that all claims for funds are made by the due date.
- 5.22** To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

WORK FOR THIRD PARTIES

Why is this important?

- 5.23** Current legislation enables the authority to provide a range of services to other bodies. Such work may enable a service area to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work are minimised and that such work is intra vires.

Key controls

- 5.24** The key controls for working with third parties are:
 - (a) to ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer
 - (b) to ensure that contracts are drawn up using guidance provided by the Chief Finance Officer and that the formal approvals process is adhered to
 - (c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of Chief Finance Officer

- 5.25** To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of members of the Leadership Team

- 5.26** To ensure that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.
- 5.27** To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.
- 5.28** To ensure that appropriate insurance arrangements are made.
- 5.29** To ensure that the authority is not put at risk from any bad debts.
- 5.30** To ensure that no contract is subsidised by the authority.
- 5.31** To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 5.32** To ensure that the service area/unit has the appropriate expertise to undertake the contract.
- 5.33** To ensure that such contracts do not impact adversely upon the services provided for the authority.
- 5.34** To ensure that all contracts are properly documented.
- 5.35** To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts.

SECTION 7

CONTRACT PROCEDURE RULES

Summary of the main controls and procedures shown in these Contract Procedure Rules (“CPRs”)

THESE CONTRACT PROCEDURE RULES MUST BE READ IN ACCORDANCE WITH THE COUNCIL’S CURRENT PROCUREMENT PLAN

- **Do the rules apply?** Check the guidance on the Council’s Intranet and in the event of any doubt you can contact the Monitoring Officer about whether these CPRs apply to a

specific contract.

- **Responsibility** - Individual Heads of Service will be responsible for governing the procurement process, **deciding whether we should buy anything** and if so ensuring that there is budget for the proposed purchase. **If the rules are breached it is potentially a matter for disciplinary action.** (see Rule C11)
- **Joint Procurement** – Heads of Service must look at options for joint procurement and use of Framework agreements. (See Rule C11 and Section F)
- **Compliance with other policies including equality, health and safety-** When buying anything for us, you have to consider the importance and effect of our other policies, for example, the relevant Health and Safety Policy and the Council’s Equality Statement. (See Rules B3 and D3)
- **Conflicts** - If you are involved in the procurement process or manage any contracts, you must declare any possible conflict of interest to your manager and the Monitoring Officer. The golden rule is, if in doubt; declare it; (See Rules C2 - C4)
- **Contract Value** - The contract value does not just mean its yearly value but all payments over the length of the contract (including any extensions – even if those extensions are never activated) – special rules apply if there is no set length for the contract (see Rules C7-8 and H1-3).
- **Record Retention** - You must keep all tender-related documents in line with our policies on keeping documents and to satisfy audit requirements. You must also place the contract on the Contract Register (see Rule N1-N3)
- **Publicising the Contract** – All invitations to tender for contracts at and over £25,000 must be placed on the Tenders and Contracts part of the website, and the Government’s Contract Finder website and all awarded contracts over £5,000 must be entered on to the Council’s contract register and those awards at and over £25,000 must also be entered on the Contract Finder Website. (See Rules N4, F10 and F13)
- **Delegations** - Staff involved in the procurement process must act in line with the Scheme of Delegation. Heads of Service and Members of Leadership Team have authority to sign contracts up to £75,000. Contracts of £75,000 and above must have the authority of a Member of Leadership team and a member of Cabinet (see rule F10).
- **Follow the process carefully** - You must follow the correct tendering process – this will depend on the value of the contract and the extent to which a framework agreement is already in place
- **Higher Value Contracts** - For all contracts over £75,000, you must consult the Monitoring Officer before buying what is needed (See Rule F9 - 10)
- **Electronic Procurement** - Electronic procurement (including e-tendering) is a developing area and one the Council is keen to encourage. However it is important that you discuss this with the Monitoring Officer to ensure compliance with the Council’s rules. (See Rules F16 and 17)

- **Tender Evaluation** - When you evaluate a tender using MEAT (most economically advantageous tender), you must use the tender evaluation methodology referred to in these CPRs (See Rules M1 and M2).
- **Financial Appraisal** - You cannot accept a tender or appoint a provider for a contract worth over £25,000 which meet certain criteria, unless you have carried out a financial check in line with the supplier financial appraisal strategy (see Rule F10 and Annex 2).
- **Waivers from the Rules – Only applicable to non EU procurement contracts** - In certain situations, we allow an exception to below EU threshold contracts under these CPRs as long as you fill in a waiver form and this is authorised (See Rule U1)
- **Monitoring the Contract** – Once the contract is awarded the work does not stop; the Head of Service must ensure that compliance with the contract including with any policies such as Health and Safety and Equality is monitored (See Section V)

Options available for the tendering process

<p>Low-value transactions</p>	<p>Up to £1,000</p>	<ul style="list-style-type: none"> • A framework agreement if there is one, unless best value can be achieved through other procurement routes • For transactions valued below £1,000, you can use a purchasing card.
<p>Intermediate-value transactions</p>	<p>Over £1,000 and up to £75,000</p>	<p>A framework agreement if there is one, unless best value can be achieved through other procurement routes</p> <p>Three written quotations invited</p> <p>If no framework option – decide whether a bespoke contract is needed or whether the Council’s standard terms and conditions will suffice</p>
<p>High-value transactions</p>	<p>Over £75,000 and up to EU transactions limit</p>	<p>A framework agreement if there is one, unless best value can be achieved through other procurement routes and is agreed by the Monitoring Officer</p> <p>Placed on the Tenders and Contracts part of the Website and the Government’s Contracts Finder Website</p> <p>Three written tenders invited</p> <p>If no framework option – decide whether a bespoke contract is needed or whether the Council’s standard terms and conditions will suffice</p>
<p>EU transactions</p>	<p>Goods and Services over £181,302</p> <p>Works over £4,551,413</p>	<p>Special rules apply – see guidance from the Monitoring Officer</p>

Contents

Secti on No.	<u>SECTIONS</u>
A	INTRODUCTION
B	CONTEXT
C	BEFORE WE START
D	DEFINING THE NEED
E	CONTRACT STRATEGY
F	HOW WE BUY THE GOODS AND SERVICES WE NEED
G	THE EU DIRECTIVES
H	ADDING CONTRACTS TOGETHER
I	PROCEDURES GOVERNED BY THE EU DIRECTIVES
J	TENDER DOCUMENTS
K	GETTING TENDERS
L	RECEIVING AND OPENING TENDERS AND PQQs (PRE-QUALIFICATION QUESTIONNAIRES)
M	EVALUATING TENDERS & QUOTATIONS
N	AWARDING CONTRACTS AND AUDIT TRAILS
O	STANDSTILL PERIOD (FOR EU TENDERS ONLY)
P	CONTRACT AWARD NOTICE
Q	CONDITIONS OF CONTRACT
R	INSURANCE
S	TRANSFERRING CONTRACTS
T	CHANGING AND EXTENDING CONTRACTS
U	EXCEPTIONS FROM THE CPRs
V	MONITORING THE CONTRACT

Annex

ANNEXES

No.

- 1 REQUEST FOR WAIVER (EXCEPTION) FORM
- 2 SUPPLIER FINANCIAL APPRAISAL STRATEGY
- 3 WORKING WITH CONTRACTORS
- 4 GLOSSARY OF TERMS
- 5 SCHEDULE 3 SERVICES

A Introduction

- A1 These CPRs are part of our Constitution and are our procedural regulations for buying items for us. They do not apply to buying items or services from within the Council. In addition the Council's procurement plan and any relevant financial regulations must also be met.
- A2 We explain the difference between goods, work and services in the glossary of terms at the end of these CPRs.
- A3 The CPRs apply to any contract that results in us making a payment and contracts where a service is being provided for us which results in some income being generated for us.
- A4 The CPRs also apply if we are acting as the lead organisation in partnership or other joint arrangement or if we appoint a subcontractor in connection with any contract.
- A5 The CPRs do not cover grants which we may receive or make (unless the grant is part of a contract for services).

KEY DIFFERENCES BETWEEN GRANTS & CONTRACTS

1) Contracts – the essential elements of a contract are that there is a mutual bargain with consideration paid. A contract contains reciprocal obligations and the payment may be subject to VAT, depending on the service being supplied. Generally all contracts are subject to EU Procurement Rules to some degree whereas a grant is not.

2) Grants - the grant funder is subsidising a service it considers necessary, but which the grant recipient does not otherwise have the resources to deliver on a self-sustaining basis.

The essential elements of a grant are that the funds must be freely given and the donor receives nothing in return. Unless the grant agreement is a Deed, there is no obligation to pay and a grant is also outside the scope of VAT.

3) The “grey area” between Grants and Contracts - restricted grants and contracts for services can sometimes operate in a similar way.

For example, a local authority could give a grant to a childcare organisation to enable it to provide a certain number of subsidised places. Alternatively, the local authority could contract with the childcare organisation to purchase a certain number of childcare places on behalf of service users. To avoid any doubt it is important to make it clear whether the arrangement is a grant or a contract and that the drafting does not include any ambiguous language.

4) Appropriate Agreement - once it has been decided whether the payment is a grant or for contracted services, careful drafting of the Agreement is important.

For example, invoices are raised under a contract, but a grant is usually 'claimed' or 'drawn down'. "Clawback" provisions are used in the drafting of a Grant Agreement to enable funders to reclaim funding if the terms of a grant are not complied with.

With a contract, there should be no mention of clawback as the funder's remedy for any breach is to sue for damages. If in any doubt seek the guidance of the Corporate Director Governance who will provide you with an appropriate Agreement for your intended use.

A6 The CPRs do not apply to:

- contracts of employment;
- contracts relating to interest in land (also known as property);
- contracts placed by the Chief Finance Officer for treasury management purposes "or in the course of Treasury management activities"
- contracts relating to selling or otherwise disposing of our assets.
- Instructions to Counsel by the Head of Legal, Property and Democratic Services.

A7 If you are in any doubt about whether the CPRs apply, you must always check with the guidance issued by the Monitoring Officer.

A8 Our 'best value duty' is very important. It means that we must always consider how each procurement meets our duty to secure continuous improvement in what we do after taking account of economy, efficiency, effectiveness and outcomes. **As a result, we need to question whether we should be buying anything at all and, if we do, whether we can buy it best ourselves or jointly, or if we should rely on someone else to get better value.**

A9 Government and EU public procurement regulations require that we must allow, and be seen to be allowing, freedom of opportunity to trade and to be open and clear about how we do things.

A10 If we fail in this duty, a provider could make a complaint against us which could result in them claiming damages and even suspension of the contract.

A11 The most important principles are being clear, open and providing fair competition. Whenever we are buying goods and services for the council, we must always act to promote competition and to achieve value for money. However we must also ensure that we try and be innovative in the ways in which we procure services. This is critical for us to achieve our ambition. If you think that any part of the rules are stifling this then you should contact the Monitoring Officer so that he/she consider a suitable amendment to the rules.

A12 The CPRs have three main aims. These are to:

- keep to the obligations that govern spending public money, such as the EU procurement directives (reflected in the Public Contracts Regulations 2015);
- get best value in the way we spend money, so that we may in turn offer better and more cost-effective services to the public; and
- protect people who follow the CPRs.

A13 The CPRs:

- are written in plain English; and
- help decisions to be made by the right people at the right level in the council.

A14 With regard to below EU threshold contracts these CPRs may be suspended if the Chief Executive decides that it is appropriate to do so, see heading U6, for details.

A15 The rules are **automatically complied with** if we are entering into a framework agreement negotiated by another public organisation or you are buying something jointly with one or more public organisations and you are following their procurement processes or any of the other situations covered in U7;

A16 These CPRs apply to all contracts for goods, or for work, services or utilities for us or which we provide (other than those stated above) or you have a valid waiver under the section headed 'Exceptions from the CPRs'.

A17 **These rules must be followed and breach of them is potentially a matter for disciplinary action.**

B Context

B1 The European Union sets down (through a treaty) what obligations are placed on us when we are buying. The main principle is to make sure that everyone in the marketplace who could provide the goods, work or services to us has the opportunity to do so.

- B2 We all now need to think about the way we arrange this, for example, e-auctions, e-tendering, or setting up a framework or placing a supply contract. More and more, councils are working collaboratively through joint procurements (in other words, buying the goods and services you need with another service area or another council or councils and sometimes other public organisations).
- B3 When you are buying anything for us, you **must** consider the importance and effect of our other policies on what you are buying. For example, this could include the Strategic Plan, the Corporate Equality Statement, the Council's Health and Safety Policies, the Council's Safeguarding Children and Vulnerable Adults Policy and economic aspirations.
- B4 If you are buying larger or expensive goods, work or services, remember that the Public Contracts Regulations 2015 for higher value orders and contracts are stricter than for those of lower value. This is so that the benefits of a more thorough, complicated process are not outweighed by the price compared to the value of the Goods, Work or Services in question.
- B5 At the highest end of the value scale, we **must** follow full EU public procurement directives, which say that we must keep to certain other procedures. In these cases, you **must** consult the Monitoring Officer.

C Before we start

Making sure we keep to law and policies

- C1 When making or proposing a contract on our behalf, the Head of Service will:
- keep to all relevant legal requirements including EU procurement regulations, relevant health and safety, environmental and equalities and discrimination law;
 - comply with these CPRs; and
 - keep to our financial regulations.

Honesty and conflicts of interest

- C2 Every officer who takes any decision or has any influence about a contract must keep to our local code of conduct for employees.
- C3 Every officer who has a financial interest in a contract must contact the Monitoring Officer who will make a record in a book we will keep for the purpose, under Section 117 of the Local Government Act 1972.
- C4 You **must** tell the Monitoring Officer if you are dealing with a contract for the council and have been offered a gift or hospitality. You can get more advice and guidance on the Council's Intranet in relation to Gifts and hospitality.

The competitive process

- C5 EU directives, UK law and Government policy says that we **must** always make sure that we are offering the opportunity to provide goods, work or services to the whole market to make sure there is fair competition.
- C6 If your contract is a high you **must** follow the section on high-value procurements.
- C7 The value of a contract means the estimated total value over the length of time it will apply, including any extension options (**not the yearly value**), before VAT.
- If the contract is for buying a single item, which is not related to buying other items, the contract is worth the price, or estimated price, referred to in that contract.
 - If the contract is for buying a related group of items, the contract is worth the total price, or estimated total price, of the group.
- C8 If there is no set length of time for the contract, **this is the estimated value of the contract over a period of four years**. You should not split contracts to avoid the values, either by item or length.

Who can buy goods and services?

- C9 Heads of Service should make sure that any buying is carried out by an authorised person who can prove they have the skills and knowledge appropriate for buying the goods, work and services. These people should already have authority under our scheme of delegation for procurement. If not, they need to be granted authority from the relevant person or organisation.
- C10 Each Head of Service **must** make sure that we do not go over the limits in the scheme of delegation.
- C11 Before starting a procurement process, you need to make sure that you have carefully identified the need and fully assessed the options for meeting it.

Before you start, you **must** consider the following.

- **Do we need to spend the money?** Is there a clear business need, supported by appropriate evidence and a budget in place?
- **What is important to the council in this procurement?** Do you just need the goods, work or services? Or are there other things you want to bring about (for example, improved environmental performance, new jobs) or added social value. It is important that we consider whether we can obtain social value through the contract that is improving the social, environmental or

economic wellbeing of our area (by virtue of the Public Services (Social Value) Act 2012. This allows commissioners to achieve broader aims but you **must** consider the guidance issued by the Monitoring Officer.

- **Can you buy what you need with another council or public authority?** If you think you could save us money or achieve other advantages if you bought what you need with someone else, consider whether there is an existing framework arrangement or contract you can use. This framework or contract could be one already set up by another council or joint-purchasing organisation or run centrally by the Government (such as the Government Procurement Service).
- **Can we use a purchasing consortium?** Is there some kind of recognised purchasing group in place (often referred to as a buying consortium) where members can use the purchasing arrangements to buy goods or services? If there is a group in place, you do not have to keep to these regulations. However, you can only buy the goods or services that are covered by the group arrangements. If the goods or services are outside the scope of the group arrangements, you must use some other method of procurement in line with these regulations.

Employment issues and TUPE (Transfer of Undertaking Protection of Employment Regulations)

- C12 Entering into new contractual arrangements or changing existing contractual arrangements can give rise to TUPE implications. It is not always obvious that there are TUPE implications (for example, when a contract with another supplier comes to an end and is to be put out to tender again). So, **if in any doubt, you must get the** advice of HR to make sure that any relevant TUPE arrangements are in place.
- C13 Where it has been decided that goods, work or services should be bought from an external source, you **must** consider the effects this may have on the existing in-house team and the possibility of staff transferring to the new provider under TUPE.
- C14 These contracts **must** contain conditions to make sure appropriate workforce (and other) information will be made available in enough time when that contract is due to end to make sure that we can fulfil TUPE obligations.
- C15 TUPE situations will almost always give rise to pensions issues. You can get advice on this from the County Council's Pensions Section – this will be arranged by HR. You will need an actuarial statement on pension information for any proposed TUPE transfers. It is the responsibility of the person managing the tender process to get this. Sometimes, we may need a pension admissions agreement.

C16 You can get more information on TUPE from www.acas.org.uk.

The main contracts

C17 For high value contracts a Director must get further relevant approval from the relevant Cabinet Member before a contract is to be awarded.

C18 The Director **must** consider if members should be involved in decisions during the tender process on High Value Contracts, for example by deciding on the conditions for awarding the contract.

Other

C19 A Director or Head of Service will not, without approval from the Chief Finance Officer enter into a contract for supplying goods or services under any operating lease, hire, rental or any other credit arrangements.

C20 Heads of Service and Directors must make sure all contracts and related records are kept, so they can be inspected, for a period of 10 years. This includes decisions to suspend these regulations and using any delegated powers.

C21 The Monitoring Officer may make arrangements under these CPRs about keeping records for certain types of contracts.

C22 Any interim contractor or consultant who is responsible to us for preparing or supervising a contract on our behalf must do the following. They must:

- keep to these regulations as though they were a Director, though the procedure may be modified so that inviting, opening and accepting tenders can be approved beforehand by the Director concerned;
- if the Chief Finance Officer or any officer we have authorised asks, produce all the records they keep in relation to the contract; and
- at the end of a contract, send all records, documents and so on relating to the contract to the Director concerned.

D Defining the need

D1 At the least, you **must** clearly and carefully specify the goods, work or services to be supplied, the agreed programme for delivery and the terms for payment together with all other terms and conditions. You also need to make sure that you will have the funds in the budget to pay for them.

D2 This means you **must** decide before beginning the procurement process the size, scope, and specification of the goods, work or services needed. If you are buying with someone else, you **must** decide this scope with your partners first.

- D3 You **must** keep to any other council policies which could apply to what you want to buy including the Council equality statement and the Council's Health and Safety Policy and Safeguarding Policy.
- D4 When identifying and defining the need, you should make sure you have involved a wider range of organisations relevant to the goods, work or services to be supplied. By knowing the market and encouraging a wider supply base, you have more chance to find the right providers and achieve the right services at the right price.

E Contract strategy

- E1 Once you have decided on the need, you **must** decide on your strategy for buying the goods, work or services. This means taking a step back from the traditional procurement process and assessing the purchasing options particularly when purchasing services.
- E2 You **must** consider options for delivering goods, work or services. The options for goods, works or services are:
- not buying the goods, having the work done or providing the services at all;
 - providing the goods, work or services ourselves (for example, by taking spare goods from another directorate or using their staff);
 - getting someone else to provide the ongoing goods, work or service (using the 'voluntary sector' or another local authority or public organisation); or
 - providing the goods, work or services with someone else (the private or 'third' sector or another local authority or public organisation).

F How we buy the goods and services we need

Framework agreements (including the Crown Commercial Services (CCS), ESPO, WMS)

- F1 You **must** use framework agreements for goods, work and services (including approved lists) **if they** exist, no matter what the value, unless the relevant Director or the Chief Finance Officer confirms, in writing, that the particular needs justify another procurement route.
- F2 Framework agreements are arrangements with providers for providing goods, work or services on agreed terms for a set period for estimated quantities against which orders may be placed if and when needed during the contract period. They offer benefits of pre-negotiated terms, bulk-buying, improved

services and reduced administration costs over the period of the arrangement.

- F3 A framework agreement may also have the option for you to hold a mini-competition with all the capable providers on the framework when you come to buy for us. Care must be taken to follow the rules set out in the framework agreement.
- F4 You **must** investigate whether call-off contracts or frameworks are relevant in your own case. You could get better value for us by using an existing framework agreement (and if relevant the central government agreements). **You also need to check if legally you can use them.**
- F5 Countywide arrangements for routine goods and services and directorate-specific contracts, for example, maintaining premises (such as gas servicing) and terms of tenders for highways maintenance would fall into the definition of a framework.

Full tender procedures (over the EU thresholds)

- F7 If you are inviting tenders for contracts over EU procurement thresholds, you **must** decide on the procedure to follow before you advertise and it **must** be one of the following.
- **Open procedure** (Regulation 27) - all interested providers send us a tender in response to an advertisement.
 - **Restricted procedure** (Regulation 28) - expressions of interest from interested providers in response to an advertisement, with us inviting a selection of those providers to send us a tender.
 - **Competitive procedure with negotiation** (Regulation 29) – a procurement procedure under which contracting authorities may award a contract following evaluation of the bidders' initial tenders. However, they may also conduct the procedure in successive stages and carry out negotiations on the initial and any subsequent tenders. Only use this procedure if it is agreed by the Corporate Director Governance.
 - **Competitive Dialogue procedure** (Regulation 30) - where the purpose of the procurement is known but not the solution. Only use this procedure if it is agreed by the Corporate Director Governance.
 - **Innovation Partnership** (Regulation 31) – this new procedure is aimed at encouraging the development of innovative products, services or works, which are not already available on the market. A problem for companies which want to provide such new approaches is the cost of investing in the development of innovative products or services, without any likelihood that these could be taken through to final production or delivery unless there

were further procurement processes after an initial R&D services contract.

- F8 For all transactions valued above the EU threshold, and for all transactions over £75,000 (not including VAT), you must get approval of the proposed tender process from the Monitoring Officer.

Full tender procedures for high-value transactions

- F9 For transactions valued at over £75,000 (not including VAT) but below the EU thresholds, you must carry out a formal tender process in line with the following principles.

- Openness
- Transparency
- Visibility
- Value for money
- In the best interests of the council
- Competition

- F10 It is a requirement of these CPRs that any contract at £75,000 or over is advertised on the Council's Website in the Tenders and Contracts section, unless the Monitoring Officer agrees otherwise. In addition as a result of the changes in the Public Contracts Regulations 2015 the tender must also be advertised on the Government's Contracts Finder website. As stated below High Value Contracts require approval from the relevant Cabinet member before they can formally be awarded. In addition a financial appraisal must be carried out if it is appropriate in accordance with the financial appraisal strategy at Annex 2. Also seek....(add in existing)....

Intermediate-value transaction

- F11 For transactions valued over £1,000 but at or below £75,000 (not including VAT), you **must** seek three written quotations before you issue a purchase order or contract, specifying the goods, work or services. This must set out prices, our terms and conditions of contract and terms of payment, unless a framework already exists and this must show value for money. If there is a framework, you **must** follow the procedure as set out in the framework, unless the relevant Director or the Monitoring Officer confirms, in writing, that the particular requirements justify using another procurement route. Annex 3 should be referred to.

F12 Your order must contain our standard terms and conditions of contract between us and the provider. A quotation and a purchase order will create a legally binding contract. We use the purchase order to formalise the terms of the contract. The award of contracts over £25,000 must also be recorded on the Government's Contracts Finder website.

Low-value transactions

F13 For transactions valued up to £1,000 (not including VAT), there is no obligation to obtain more than one quote before you can purchase the services/goods or works. However you must issue a formal purchase order specifying the goods, work or services and setting out prices and terms of payment, unless a framework already exists and this must show value for money. If there is a framework, you **must** follow the procedure set out in that framework, unless the Monitoring Officer confirms, in writing, that the particular requirements justify using another procurement route.

F14 Your purchase order **must** contain our standard terms and conditions of contract between us and the provider. A quotation and a purchase order will create a legally binding contract. We use the purchase order to formalise the terms of the contract.

Electronic procurement and emailed quotations

F15 You should always aim to use electronic procurement (or e-procurement) systems rather than paper systems. If you are going to use e-tendering provided by another organisation, this must be agreed by the Monitoring Officer. Using e-tendering may disadvantage some smaller providers. You should make it clear that paper systems can still be used, so that we attract the widest range of providers.

F16 If you accept electronic quotations, these **must** be:

- sent to a specific email address;
- opened at a set time;
- opened in the presence of a duly authorised officer;
- logged under the price given; and
- kept on the relevant file.

G The EU directives

Extra requirements for transactions valued over EU limits

G1 Below are the contract values above which you must follow procedures governed by the EU directives.

For goods and services (including goods and consultancy services)	£181,302
For work	£4,551,413 (from January 2018)

These limits are changed in January every two years. You **must** check the latest limits before you go ahead.

H Adding contracts together

H1 You **must never** deliberately split down the value of contracts.

H2 Wherever possible, we should make our purchases in the form of a single large contract rather than a series of smaller contracts. However, there will be circumstances where using lots of (smaller) contracts, is appropriate.

H3 You **must** add together the value of the separate contracts of the same type over a short period so you can decide whether the value of the contract falls within the limits.

I Procedures governed by the EU directives

I1 If your contract has a value over the current EU threshold for Goods, Services or Works, you **must** comply with the UK Public Contracts Regulations 2015. **EU treaty rules (reflected in the Public Contracts Regulations 2015) only apply in full to non-Schedule 3 services.**

Schedule 3 services are described in Annex 4 and where their contract value is above the current Schedule 3 'light touch regime' threshold of **£589,148** you must:

- Post in the OJEU a contract notice - or a Prior Information Notice - making known the intention to award a contract for any Schedule 3 service **above** the 'light touch regime' threshold (Annex 4) – thereby, by definition, inviting expressions of interest.
- Thereafter, by definition, hold some sort of (competitive) award process following this.
- Ensure that their award procedures are at least sufficient to ensure compliance with the principles of equal treatment and transparency.
- Run the process in conformity with the information in the call for competition (but may depart from it in certain circumstances which would not result in breach equal treatment and transparency).

- Allow reasonable and proportionate time and time-limits for the whole process.
- Publish a contract award notice (once awarded – these can be grouped for publication quarterly).

An OJEU call for competition (Contract Notice or PIN) can be dispensed with only where:

- The contract is below-threshold.
- The “negotiated procedure without notice” can be used – ie, where a procurer can legitimately approach one provider direct.
- There is some other reason why the EU rules don’t require a competition (perhaps because what might otherwise have been a procurement is instead an in-house arrangement, or a public-to-public co-operation).

12 The Public Procurement Regulations 2015 contain conditions relating to providing notices and other documents electronically.

13 You **must** tender the contract under one of the procurement options listed at F1 above (for particularly complicated contracts). This Council would only consider the use of the Competitive Procedure with Negotiation in exceptional circumstances.

14 EU directives and the Public Procurement Regulations 2015 are very detailed and we can only give details of the main ones here. If in doubt, you should get the guidelines and advice from a procurement advisor.

15 For each contract, unless we say differently below, you must publish a contract notice in the Supplement to the Official Journal of the European Union (OJEU). **Great care must be taken in filling out the information in the OJEU notice to make sure that the information is accurate.** Advertisements you publish as well as this **must not**:

- appear in any form before we have sent a contract notice to OJEU; and
- contain any information on top of that in the contract notice in OJEU.

16 You **must** always follow the minimum timescales relating to tender procedures governed by the EU directives. The timescales given for completing and returning tenders are only the minimum, so there is flexibility to extend timescales to encourage bids from smaller providers or consortiums. If procurement falls under Schedule 3 services or is under the EU procurement limits, there is no formal time limit. Similarly, when faced with short timescales within which to use the funds, you should still make sure the process used is fair, clear and accessible to all.

17 If you have sent a prior information notice (PIN) announcing a forthcoming contract notice to OJEU between 52 and 365 days before you have sent the contract notice, reduced timescales may apply.

18 You must also, now under the Public Services (Social Value) Act 2012 consider:

- How what is proposed to be procured could seek to improve the economic, social and environmental well-being of the area.
- How the Council may through the contracting process seek to secure improvement in the economic, social and environmental well-being in conducting the process of procurement.
- Whether any consultation with the local community is necessary to establish how the contract being procured may improve the economic, social and environmental well-being of the area.

J Tender documents

J1 Every above EU threshold invitation to tender using a Pre-Qualification Questionnaire (PQQ) should include:

- the nature and purpose and, if it applies, the proposed length of the contract;
- an outline of the goods, work or services to be supplied or carried out;
- a statement on our procedures for getting tenders;
- a requirement for the applicant to provide information about their technical, commercial and financial standing if we do not already have the information;
- a closing date for receiving applications;
- the evaluation criteria (with weightings) to include in any tender process (see regulation 13);
- an outline process and timetable;
- a statement that we do not have to accept the lowest or any tender; and
- a named Individual to deal with from the Council (or its agent).

J2 Unless we change it every **invitation to tender should** include:

- the nature, purpose, start date and period of the contract;
- the detailed specification and quantities of goods, work or services to be supplied or carried out;
- the times at, or within which, and the places at which the goods, work or services are to be supplied or performed;
- a copy of the conditions of contract which the successful contractors will have to keep to;
- information on TUPE;
- the evaluation criteria (with weightings) for awarding the contract
- a statement that we do not have to accept the lowest or any tender;
- the closing time and date, and address for receiving tenders;

NOTE: Pre-Qualification Questionnaires are no longer allowed in below EU threshold procurement

K Getting tenders

K1 The Head of Service must send to every person who wants to give us a tender any documents which the Council considers are necessary to fully inform their proposed tender. This includes a returnable tender form or other document which tells each company wanting to tender to:

- include their offer price (or prices) for the goods, work, services or utilities;
- include their signature or seal;
- return the filled-in tender form to the Manager concerned at the address given by a certain date and time;
- where returning by post send the filled-in tender in an envelope with the word 'TENDER' addressed to the relevant Director at the Council followed by the subject the tender relates to and the closing date and time for receiving tenders;
- be told that, depending on procurement regulations relating to e-tendering arrangements, we will not consider tenders sent in only by fax or email.

L Receiving and opening tenders and PQQs (pre-qualification questionnaires)

- L1 Every response to a PQQ or an invitation to tender should be delivered:
- no later than the time given for sending us the tender in the invitation to tender (and addressed to the relevant Director at the place shown in the invitation to tender (or e-mail address)); or
 - on a read-only CD-ROM clearly labelled with the tenderer's name and contract reference, or via email (or provided in hard copy as a last resort);

There should be no other labelling or markings on the packet that identifies who is providing the tender.

- L2 The Head of Service **must** keep the tenders secure until the time we have given for their opening. These are to be kept in the safe held by Land Charges. We will not open tenders before the closing date and time. Two officers **must** open all tenders at the same time. They **must** not be involved in the tender evaluation and award.
- L3 We **must** list the opened tenders on a list of tenders. Tenders must be signed and dated by the people opening them. Pages with prices in them do not need to be signed, only the total price page.
- L4 Email tenders **must** be stored in a specific address which is secure and which meets our audit requirements.
- L5 We will not open a tender if it is received late and after we have opened other tenders for that contract.
- L6 If the circumstances mean it is appropriate, the Director or the Monitoring Officer may postpone, for a reasonable period, the closing time and date for receiving tenders. This applies as long as we have let everyone know, in the same way, who we have asked for tenders from and that tenders have not been opened.

M Evaluating tenders and quotations

- M1 If we have asked for written quotations for contracts valued at or below £75,000 (not including VAT), unless otherwise decided by the Director or Head of Service the contract shall be awarded based on identifying the most economically advantageous tender (MEAT).
- M2 For contracts valued over £75,000 (not including VAT) and for all contracts governed by EU directives, the contract shall be awarded based on identifying the most economically advantageous tender (MEAT). However, there are some situations where using MEAT will not be an appropriate method of evaluation. This is usually if the only obvious difference between products or solutions will be that of price (for example, if you are buying stationery or other standard items). It is unlikely that you could choose providers for services or work on price alone as these will often need

wider evaluation techniques. When deciding on how we evaluate tenders, we need to be careful that using a lowest-price method of evaluation rather than MEAT is appropriate for the procurement.

- M3 This evaluation involves scoring tenders fairly by an officer or panel of officers or independent experts using criteria which **must**:
- be already set out in the invitation to tender documents in order of importance;
 - be strictly kept to at all times throughout the tender process;
 - reflect the principles of best value;
 - include price;
 - consider whole-life costing, particularly in the case of capital equipment where the full cost of maintenance and so on should be taken into account;
 - be able to be assessed independently;
 - be weighted according to importance;
 - show wider social value if this has been included in the specification; and
 - avoid discrimination on the basis of nationality, or other cause which goes against any of our policies.
- M4 If you use this evaluation method, you must award the contract to the company which sends us the most economically advantageous tender. (In other words, the tender that achieves the highest score in the independent assessment.)

N Awarding contracts and audit trails

- N1 You **must** record in writing the results of the tender-evaluation process and the decision to award a contract.
- N2 You **must** only award a contract if you are authorised to do so. You **must** make sure that the appropriate budget holder has the funds in place before you make the award.
- N3 Heads of Service and Directors should make sure that proper records of all procurement activity are kept in electronic or hard-copy format as appropriate. This is in line with our policy on keeping documents.
- N4 All contracts awarded with a value over £1,000 must be recorded on the Council's contract register (via the Intranet) unless the Monitoring Officer agrees otherwise. This is critical to allow for the Council to carefully monitor its spend and to allow the

public to view the way in which the Council spends its resources.

N5 We cannot accept any tender which breaks EU procurement regulations.

N6 We cannot accept any tender unless, where required, we have carried out a financial check in line with our supplier financial appraisal strategy (Annex 2).

O Standstill period (for EU tenders only)

O1 For all contracts tendered under EU directives, we **must** have a 'standstill period' between the decision to award and the actual award of the contract. The minimum standstill period is calculated depending on the means of communication used to transmit the standstill notice:

At least 10 calendar days, when the notice is communicated using electronic means (e.g fax, email); or

When using non-electronic means, there is a choice between either 15 days from date of sending or 10 days from date of receipt.

Once we have made the decision to award a contract, we must write to each company that provided a tender with the outcome of the tender process. This notice **must** include:

- details of the criteria for awarding the contract;
- if possible, the score or ranking the company achieved against those criteria;
- if possible, the score or ranking the winning company achieved; and
- the name of the winning company

O2 There **must** be at least 10 calendar days between sending this notice and the end of the contract. Special rules apply if a company asks us for a debrief on the tender process. Even if a company asks for a debrief outside of the standstill period, we **must** still provide this. In this instance, you must get advice from the appointed procurement advisor as soon as possible. The appointed procurement advisor will be a person with legal or procurement qualifications.

P Contract award notice (EU contracts only)

P1 We **must** announce all contracts awarded under the EU directive using a contract award notice in OJEU which must be sent no later than 48 calendar days after the date we award the contract.

P2 Awards of all contracts for £25,000 and over must be recorded on the Government's Contract Finder Website.

Q Conditions of contract

Q1 There must be written evidence of every contract and all contracts must be in a form agreed with the Monitoring Officer.

Q2 All transactions **must** use an appropriate model form of contract approved by the Monitoring Officer (or a form decided by the Director after consulting the Monitoring Officer).

Q3 For all contracts for services estimated at a value over £75000 (not including VAT), if the model conditions of contract are not suitable, you **must** consult the Monitoring Officer to produce a suitable set of conditions of contract (with other advisors if necessary) before inviting tenders.

Q4 The Monitoring Officer **must**:

- keep a record or list of all model sets of conditions of contract that gives details of when the conditions were last updated, who is responsible for updating them, any changes and contact references;
 - keep all current model conditions of contract under review;
 - monitor and review conditions of contract issued by other organisations; and
- make sure that information is sent to directorates and access is given to available framework agreements and contracts, local or joint framework agreements and call-off contracts.

R Insurance

R1 Insurance conditions will be contained in the conditions of contract. In terms of insurance, we will normally need the successful contractor to have the following types and minimum limits of cover. These figures can be varied by agreement of the Council's Section 151 Officer (the Officer with responding for finance matters)

	Works Contracts	Goods and services Contracts
Public Liability	£25 million	£5 million
Employers Liability	£5 million	£5 million
Professional Indemnity	£2 million	£2 million

R2 The above limits relate to each claim. For public liability and employers' liability, the cover must be in place throughout the period covered by the contract. For professional indemnity, the conditions are more complicated. Not only must the cover be in place throughout the period covered by the contract but also for another six years after the end of the contract (or 12 years if the contract is executed as a Deed). For certain types of services, for example, financial advice, the amount of professional indemnity insurance cover will need to be higher to protect us in case anyone gives inappropriate advice.

R3 When providing goods and services, the above limits may not be appropriate for small and medium enterprises (SMEs) and sole suppliers. In these instances, we can reduce these limits after carrying out a risk assessment and filling in the relevant sections of the waiver form (Annex 1) after consulting the Chief Finance Officer.

S Transferring contracts

S1 In appropriate circumstances we may agree to transfer a contract, by novation or assignment. You must ask for advice on how to transfer a contract from the Monitoring Officer, **before** any contract is transferred.

S2 The Monitoring Officer **must** take this decision and it must be notified to the Cabinet.

T Changing and extending contracts

T1 Depending on any legal restrictions and the need to keep to these CPRs, a Director may authorise the following extensions and changes to an existing contract.

- An extension for a particular period under the terms and conditions of the contract (but depending on the satisfactory performance when monitoring the contract).
- A single extension of the contract by up to half the contract term as long as this would not place the contract over the EU limit or break any law.
- Any other change, and if relevant a resulting change in price, decided in line with the contract terms.

T2 Any extension to the contract period cannot be longer than the original length of the original contract. Any extension or change to the contract must be notified to the Cabinet.

T3 You **cannot** extend or change contracts arranged under the EU regulations without consulting the procurement service.

U Exceptions from the regulations

U1 An exception to these CPRs means we give permission to agree a below EU threshold contract without keeping to one or more of these CPRs. We may grant an exception under conditions set out below. We cannot grant an exception if to do so would mean breaking any laws on public procurement or other relevant legislation.

U2 **An exemption will automatically apply where we decide to use a framework agreement or to jointly contract with another public authority acting as the lead authority (see Rule A15).**

U3 The Chief Executive may grant an exception to these CPRs as detailed below. If you want an exception (other than those automatically covered which are listed below at paragraph U7 or at A14), you must apply in writing using the request for waiver form (Annex 1 of these CPRs) and send it to the Monitoring Officer. Please include the exception you want and your reasons for it.

U4 The Monitoring Officer will keep a register of all exceptions to these CPRs.

U5 We will not agree an application for an exception unless you have a good reason. We do not consider a lack of time caused by poor forward planning as a good reason and so will not allow it.

Exceptions which involve the request for waiver form (Annex 1 of these regulations)

Note: the Council cannot give an exception for above EU threshold value contracts that are covered by the Public Contracts Regulations 2015.

General contracts

U6 We may grant an exception in the following circumstances.

- If there is an unexpected emergency involving danger to life or health or serious damage to property, if the goods, work or services are needed more urgently than would be possible if we followed the tender or quotation procedure.
- If, for technical reasons, the goods, work or services can be bought from only one provider and this can be justified.
- If the proposed contract is an extension or change to the scope of an existing contract with a value (including the change or extension) that is below the relevant EU threshold. However, this does not apply if the existing contract provides for an extension.

- If we can achieve value for money by buying used vehicles, equipment or materials.
- To develop our aims to develop the economy, whilst complying with the Public Contracts Regulations 2015.

U7 You will, as detailed in A14 and A15, not need separate authorisation in the following circumstances:

- If you place an order with a single provider under an existing corporate contract or framework agreement.
- If you place an order through a buying consortium of which we are a member.
- As part of a partnering contract that involves a series of contracts with one provider.
- you are buying something jointly with one or more public organisations and you are following their procurement processes
- If any law says we must contract differently from these standing orders.
- If you place an order under an arrangement, of which we are a member that has gone through a competitive process which meets EU conditions, for example, Crown Commercial Services.
- For goods, work or services which must be provided by a public utility or a local authority other than us under their legal powers.

V Monitoring the Contract

V1 Once the contract has been awarded and recorded it is important that we do not simply ignore the contract until it comes round to retender. The contract must be properly monitored and checked to ensure that the contract is being properly performed and that the Council continues to obtain best value. It is the Heads of Service responsibility to ensure that this happens.

**Request for 'Waiver' (exception)
From Contract Procedure Rules**

LICHFIELD DISTRICT COUNCIL

NOTES:

- Please see the Contract Procedure Rules, regarding requests for waivers
- Waivers cannot be approved that would place the Council in breach of national legislation or EU procurement law
- Requests may be made by email. Requests for waivers must be made **prior to commencement of any procurement activity**
- This form is to be completed and passed to the relevant officer authorised under the constitution to sign/seal the Contract/Framework Agreement, prior to entering into any Contract/Framework Agreement

Compliance with certain EU Regulations (reflected in the Public Contracts Regulations 2015) is still required even if a waiver is granted. Please seek the advice of a Procurement Advisor for the following procurements:-

Schedule 3 services and single supplier procurements that are over the EU threshold are not exempt from EU procurement law but are merely partially exempt

- A copy of the completed waiver form duly signed by all parties indicated should be placed on the contract file and a copy must be sent to the Monitoring Officer for filing on the council's waiver database – send to: [address needed](#)
- This waiver request must not be completed or signed by any individual who has a direct or indirect interest in the request.

		INFORMATION TO BE INSERTED
1	TITLE of Contract/Framework Agreement	
2	Description of Goods/Works/Services	
3	NAME of proposed provider, if known	
4	<u>Duration and Value of Contract</u>	
4.1	Duration of Contract/Framework Agreement (include initial term and any options to extend) <u>Note</u> Framework Agreement should not generally be for more than four years years
4.2	If Contract/Framework Agreement duration is in excess of 4 years provide justification for extended period	
4.3	If proposed Contract has been renewed or extended previously with the same provider/group of companies please indicate (this may affect the aggregated value of the Contract).	
4.4	Have there been any previous waivers in respect of this contract?	<div style="display: flex; justify-content: space-around; align-items: center;"> <input type="checkbox"/> YES <input type="checkbox"/> NO </div> If <input type="checkbox"/> YES please provide details of <ul style="list-style-type: none"> (i) date and value of Contract (ii) date(s) and values of any previous waivers and any limitations attached to previous waivers (iii) value of this waiver request

		INFORMATION TO BE INSERTED
4.5	<p>Total VALUE (excluding VAT) of proposed Contract/Framework Agreement include any amounts specified at 4.4 TOTAL VALUE should be value over entire duration including any extension period</p> <p><u>Note</u></p> <p>Include <u>all</u> anticipated ancillary matters such as maintenance support, licences, training, expenses etc.</p>	
4.6	If unable to determine value, please provide brief explanation	
5	<u>Budget</u>	
5.1	Is there a budget available for the total value of Contract?	<input type="checkbox"/> YES <input type="checkbox"/> NO
5.2	If reply to 5.1 is <input type="checkbox"/> NO how is funding to be sourced?	
5.3	Is funding conditional?	<input type="checkbox"/> YES <input type="checkbox"/> NO
		If <input type="checkbox"/> YES include brief summary of funding conditions
6	<p><u>Evidence of Value for Money</u></p> <p><u>Note</u></p> <p>If a formal tendering process is not to be undertaken value for money must be evidenced (without exception)</p>	Details of value for money:
7	<p><u>EU Thresholds</u></p> <p>Is Contract over EU Thresholds?</p> <p>EU Thresholds as at January 2018:</p> <ul style="list-style-type: none"> • works £4,551,413 + • goods & services £181,302 	<input type="checkbox"/> YES <input type="checkbox"/> NO
		<input type="checkbox"/> YES complete Point 13

		INFORMATION TO BE INSERTED
8	<p><u>Procurement Route</u></p> <p>If the Contract is over £75K (excluding VAT) Monitoring Officer to sign confirmation that there is not a more suitable alternative procurement route</p>	<p>Signature</p> <p>Monitoring Officer</p>
9	<p><u>Reason for Request</u></p> <p>Brief description why waiver is being requested</p> <p><u>Note</u></p> <p>There is a general presumption that all Contracts/Framework Agreements will be formally tendered. If this is not the case, the reasons must be explained along with the actual procurement route to be taken.</p>	
10	<p><u>Risks</u></p>	
10.1	<p>Details of any material risks e.g.</p> <ul style="list-style-type: none"> • Variation to standard contract clauses (Legal) • DBS Disclosures (HR) • Non-standard Insurance limits (Public Liability/Employers Liability/Professional Indemnity Insurances) • Financial vetting revealing significant risk • Other (please specify) 	
10.2	<p>Why is the council assuming any material risks?</p>	
11	<p><u>Other Information</u></p> <p>Other relevant information (if applicable)</p>	
12	<p><u>Exit Plan</u></p> <p>What are the plans for the provision of goods/works/services upon the expiry of the Contract e.g. re-tender/one-off project?</p>	

CONTRACTS OVER THE EU THRESHOLD

<p>13</p>	<p>Does the request for waiver fall within one of the following categories?</p> <p>Contract for:</p>	<div style="display: flex; justify-content: space-around;"> <div style="border: 1px solid black; padding: 2px 10px;">YES</div> <div style="border: 1px solid black; padding: 2px 10px;">NO</div> </div> <p><u>Note</u></p> <p>If NO the request for waiver is likely to be refused if over the EU Threshold</p>
<p>13.1</p>	<p>Acquisition or development of material for broadcasting</p>	
<p>13.2</p>	<p>Arbitration or conciliation services</p>	
<p>13.3</p>	<p>Financial services in connection with the issue, purchase, sale or transfer of securities</p>	
<p>13.4</p>	<p>Central bank services</p>	
<p>13.5</p>	<p>Employment and other contracts of service</p>	
<p>13.6</p>	<p>Research and development services, unless solely for the benefit of the council and paid for by the council</p>	
		<p>INFORMATION TO BE INSERTED</p>
<p>13.7</p>	<p>Services, where the council has the <u>exclusive</u> right to provide the service</p>	
<p>13.8</p>	<p>EU Services under Schedule 3 or EU directive 14 exemption</p>	
<p>SUBMISSION BY REQUESTING OFFICER</p>		
<p>14</p>	<p>For completion by requesting officer only</p> <p>I confirm that the information set out above is correct.</p>	

	Contract Officer's signature: Name..... Post Tel No..... Date..... <i>(either type name or use signature)</i>	
WAIVER AUTHORISATION NOTE: FOR ALL CONTRACTS EXEMPTION CAN ONLY BE GIVEN BY THE CHIEF EXECUTIVE		
15	<input type="checkbox"/> APPROVED	<input type="checkbox"/> REFUSED
16	Comments and Restrictions/Limitations to approval/reasons for refusal (if any)	
17	Name/signed Chief Executive Date	

Supplier financial appraisal strategy

Aim

The aim of the supplier financial appraisal strategy is to reduce as far as possible the effect of a business failure on the most vulnerable in the community.

Principles

The strategy is based on:

- the need to help the Council make the right decision for all main critical contracts;
- promoting competition when buying goods, work, services and utilities;
- choosing the most suitable suppliers of goods, work, services and utilities based on a set of financial and market measures;
- the need to take account of the level of risk associated with the supply, service or supplier; and
- the ongoing assessment of the supplier's financial strength.

The main responsibilities

While the final decision to reject an applicant for financial reasons rests with the Chief Finance Officer the emphasis will be based on a partnership approach.

Internal Audit will monitor how we follow this strategy through their planned procurement audit assignments carried out each year.

Method

The following method applies for all contracts awarded using a tendering procedure or waiver.

For contracts with a value of **less than £75,000** you do not need to carry out a financial appraisal before awarding a contract.

For contracts with a value over **£75,000 but less than £1 million** the Head of Service, the relevant Director and the Chief Finance Officer will decide whether a financial appraisal is needed, before the contract is awarded.

The basic assessment involves four questions as shown below.

- Is the type of supply or service being bought 'routinely' rather than as a one-off purchase?
- Is the supply or service readily available from a number of other suppliers?
- Can the supply or service be easily substituted?
- Are contract payments only made once we have received the supply or service?

If you answer no to any of the four questions, you will normally carry out a financial appraisal using the same process and a choice of those factors (1 to 8) shown below.

The procurement officer, lead commissioning manager and a representative from the relevant joint finance unit will decide on the need to carry out a financial appraisal for each year of the contract.

We will carry out detailed financial appraisals:

- for all tendering exercises **over £1 million**;

Pre-contract award

Factors to be discussed

- 1 We will take account of output from financial checks carried out using the financial assessors N2Check, Dunn & Bradstreet and Experian (based on those accounts lodged with Companies House).
- 2 We will analyse the latest set of accounts (if not lodged with Companies House).
- 3 We will carry out financial checks on the parent company (if there is one).
- 4 We will analyse the contract value when compared to:
 - the recommended total yearly contract value as defined by Dunn & Bradstreet;
 - the market standard of no more than 25% of turnover; and
 - the current total spending with the tender applicant.
- 5 In terms of the nature of the contract, we will look at:

- the type of supply or service (for example, regular or one-off);
 - the extent of competition within the market (for example, how easy to source the contract); and
 - the payment terms (for example, payment in advance or payment once the goods or services are received).
- 6 We will also look at information from suppliers gathered through current arrangements for managing services or from other sources.
- 7 We will check the movement in share prices (if this applies).
- 8 For sole traders and partnerships, we need to change certain factors. For example, we will replace factors 1 and 2 with the requirement for tender applicants to fill in a financial assessment in a format set by the Chief Finance Officer. This will show certain information on trading accounts for the last three years. The assessment will automatically work out the average liquidity score.

Following on from the above, we will assess whether to reject the tender for financial reasons. Before we reject it, we will consider the need to get (where appropriate) a banker's reference or parent company guarantee. We will record and keep the result of this assessment (including the reasons behind it).

Post-contract award

In assessing the ongoing financial strength of suppliers, we will repeat the above process for each year of the contract within one month of the anniversary of the contract award date. This will help us manage contracts effectively.

IMPORT ANNEX 3

Glossary of terms

Approved contractors list is a list of suitably accredited and qualified providers from which we ask for quotations or tenders without the need to advertise the procurement.

Crown Commercial Services is an executive agency and trading fund of the Cabinet Office of the UK Government. The CCS is responsible for improving government commercial and procurement activity and bringing together policy, advice and direct buying; providing commercial services to the public sector and saving money for the taxpayer

Competitive dialogue procedure is used when we cannot provide a precise specification and where there is scope to negotiate about what services companies can provide. The purpose of this procedure is to negotiate on the specification of the project and not on the price.

Consortium means an association of several business organisations who are legally bound together to work towards a commonly held aim. .

Contract means any agreement where we agree to carry out or to buy or sell any goods, work, services or utilities for payment or otherwise.

Electronic procurement means procurement using the internet, including online e-auctions and buying portals on the internet. You can take advantage of reduced minimum time periods when you arrange your contracts under the EU procurement regime and send your documents electronically. You can get advice and guidance on this from a procurement advisor.

EU procurement regulations means the Public Contract Regulations 2015 together with relevant EU directives, case law and guidance issued.

Framework agreement means an agreement or other arrangement which sets the terms (in particular the price and, where appropriate, quality) under which the provider will enter into one or more contracts or a series of contracts with us. This may also be referred to as a continuous contract or a standing offer.

‘Lowest tender in price terms’ for accepting a tender means either the lowest cost or, if the evaluation is not just based on price, the most economically advantageous tender score after an evaluation.

Open procedure This means an advert will be placed in OJEU and relevant press and trade journals. The tender will be open to anyone who shows an interest.

Public organisation includes any organisation which may award a public contract under the Public Contract Regulations 2015.

Public services contract is one under which we employ a person to provide services.

Public works contract is a contract to buy goods (not land or the product of an activity); or hire goods, whether or not we install them. Public works contract is a contract for carrying out work under which we employ a person to do the work.

Restricted procedure means an advert will be placed in OJEU, and the relevant press and trade journals. Organisations which express an interest will have to fill in a pre-qualification questionnaire (PQQ). We will evaluate the PQQs and produce a shortlist of suitable organisations which we will then invite to tender.

'Signing' a contract includes arrangements for formally accepting a tender, if this is covered in the procurement regulations.

Standstill period is the period of time between giving notice of our plan to award the contract and the confirmation of the award of the contract which is needed under the EU procurement regulations (reflected in the Public Contracts Regulations 2015). This gives unsuccessful companies the chance to ask for a debriefing and to challenge an award of a contract.

'Supply' includes buying, leasing, hiring or renting goods or services or arranging any form of credit for them (this can also include when we do not pay anything for those goods or services).

'Tendering' means a formal procedure for getting written offers (tenders) for supply.

'Third sector' means non-governmental organisations that are driven by value and which mainly reinvest any profit to further social, environmental or cultural aims. The sector includes voluntary and community organisations, charities, social enterprises, faith groups, housing associations and co-operatives and mutuals.

'Value for money' is not the lowest price but the best combination of whole-life costs and quality to meet users' needs. You should always assess value for money over the whole life of the contract and you should take into account all costs and benefits to society as a whole including the environmental and social benefits and costs, not just those directly relevant to us. (OGC 2008).

Works are defined as including:

- building and civil engineering work;
- installing, for example, heating and electrical equipment or ICT equipment;
- carrying out work such as tiling and papering; and
- maintaining buildings.

We may also treat the following activities as a contract for **work**.

- A contract where we employ a provider to act as our agent when letting contracts.
- An agreement where a developer constructs a building on their own land (according to our needs) and then transfers the land and structure to us at a later date.

SCHEDULE 3 SERVICES

NOTE: Under the Public Contract Regulations 2015 ('PCR'), the distinction between Part A and Part B Services has been removed and replaced by what has become known as the "Light Touch Regime" ('LTR'). Details of this regime are at Regulation 74 onwards of the PCR.

A services contract will fall within the scope of the LTR if it is for the certain types of health, social and other services listed at Schedule 3 of the PCR (see H3 and Annex 4). For these LTR contracts, a higher threshold than that for ordinary service contracts will apply, before the LTR is applicable. This threshold is currently set at **£589,148**

Bear in mind that the services listed at Schedule 3 of the PCR do not exactly mirror what used to be categorised as Part B Services under the PCR 2006; if a service is not listed at Schedule 3 of the PCR it will be subject to the full EU procurement regime rather than only the LTR.

While the LTR is not prescriptive as to how contracting authorities design their procurement process for LTR services contracts, it does for the first time require that services contracts that fall within the LTR are advertised.

The services listed below are found at Schedule 3 to the PCR. These include the following services:

Health, social and related services	Administrative social, educational, healthcare and cultural services
Compulsory social security services	Benefit services
Other community, social and personal services including services furnished by trade unions, political organisations, youth associations and other membership organisation services	Religious services Hotel and restaurant services
Legal services, to the extent not excluded by regulation 10(1)(d)	Other administrative services and government services
Provision of services to the community	Prison related services, public security and rescue services to the extent not excluded by regulation 10(1)(h)
Investigation and security services	International services
Postal services	Miscellaneous services

Section 8

EMPLOYMENT PROCEDURE RULES

SECTION 8 – EMPLOYMENT PROCEDURE RULES

1. Recruitment and appointment

The Head of Corporate Services has the responsibility for advice and guidance concerning the application of the Council's Recruitment and Selection Policy, which is available via the Council's website [Jobs and Careers](#)

1.1.1 Declarations

- 1.1.1.1 The Head of Corporate Services will require a candidate for any appointment to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew, niece or cousin of an existing councillor or officer of the Council or of the partner of such persons. This requirement will be included in any appropriate recruitment literature.

Definitions from Managing Relationships Policy

A **family relationship** is defined as the following related persons: husband, wife, civil partner, partner, girlfriend/boyfriend, child, grandchild, brother or sister, nephew or niece, grandparents or cousin. The definition includes common-law, same sex relationships, "in-laws", foster-family relationships and step-relationships.

A **close personal relationship** is defined where there is a reasonable perception that employees (or an employee and a third party including an elected Member, service user, contractor or other third party with whom the employee is in contact because of their work) are romantically or sexually involved with each other.

Working Relationships from Code of conduct

All internal and external relationships with colleagues, service users, contractors and Councillors will be conducted in a professional and respectful way.

Mutual respect between the Council's employees and its Councillors is essential to good local government. However close personal familiarity can damage the relationship and should therefore be avoided. Further details are available in the Council's Constitution with regards to Managing Officer and Member Relationships

Personal Relationships code of conduct

Council employees cannot be involved in an appointment, or be involved in any decision relating to discipline, promotion or any pay adjustments or conditions, or be in the line management hierarchy of another employee or prospective employee to whom they are related or have a close personal relationship. Employees must

declare all such relationships to their manager and must ensure compliance with all of the Council's policies relating to the recruitment and management of staff. Please refer to the Managing Personal Relationships at Work Policy and the Recruitment Policy for further information.

1.1.1.2 No candidate so related to a councillor or officer will be appointed without the written consent of the relevant Head of Service except where that post-holder is the employee to whom the candidate has declared such a relationship in which case the appropriate member of the Leadership Team (LT) will approve any proposed offer of employment in writing.

1.1.2 Seeking support for appointment.

1.1.2.1 The Council will disqualify any applicant who directly or indirectly seeks the support of any councillor or any employee of the Council for that appointment with the Council. The content of this paragraph will be included in any recruitment information.

1.1.2.2 No councillor or employee of the Council will seek support for any person for any appointment with the Council. This rule shall not preclude any member or employee of the Council from giving a written testimonial of any candidate's ability, experience, or character for consideration in conjunction with an individual application, but, having given such a testimonial, that member or employee shall take no part in the short listing or interview process.

1.2 Recruitment of Chief Executive (Head of Paid Service)(Chief Officer)

Where the Council proposes to appoint a Head of Paid Service or Chief Officer and it is not proposed that the appointment be made exclusively from among their existing officers, the Council will:

1.2.1 draw up a statement specifying:

1.2.1.1 the duties of the post concerned; and

1.2.1.2 any qualifications or qualities to be sought in the person to be appointed;

1.2.2 make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and

1.2.3 make arrangements for a copy of the statement mentioned in paragraph 1.2.1 to be sent to any person on request.

1.3 Officers below Chief Officer Level

Subject to paragraphs 1.3.1, 1.5 and 1.6, the function of appointment and dismissal of, and taking disciplinary action against, an employee of the Council must be discharged, on behalf of the Council, by the Head of Paid Service or by an officer nominated by him/her except where the Local Authorities (Standing Orders) (England) Regulations 2001 provide that it must be by the Appointments Committee or Council or other body as provided for in Part 3 of the Constitution.

1.3.1 Paragraph 1.3 shall not apply to the appointment or dismissal of or disciplinary action against:-

1.3.1.1 the officer designated as the Head of Paid Service;

1.3.1.3 the Chief Finance Officer within the meaning of Section 151 of the Local Government Act, 1972

1.3.1.4 the Monitoring Officer within the meaning of Section 5 of the Local Government and Housing Act, 1989

1.3.1.5 an assistant for a political group appointed in pursuance of section 9 of the 1989 Act.

1.4 Appointment and Dismissal of Chief Executive (Head of Paid Service)

Appointments

1.4.1 The appointment or dismissal of the Head of Paid Service will be made following the recommendation of the Appointments Committee, the full Council must approve that appointment before an offer of appointment is made or, as the case may be, must approve that dismissal before notice of dismissal is given.

1.4.3 An offer of an appointment as Head of Paid Service must not be made until:-

1.4.3.1 the Appointments Committee has notified the Proper Officer of the name of the person to whom it wishes to make the offer and any other particulars which the panel considers are relevant to the appointment;

1.4.3.2 the Proper Officer has notified every member of the Cabinet of:-

(a) the name of the person to whom the panel wishes to make the offer (subject to approval of the Council);

(b) any other particulars relevant to the appointment which the panel has notified to the Proper Officer; and

(c) the period within which any objection to the making of the offer is to be made to the Proper Officer by the Leader of the Council on behalf of the Cabinet; and

1.4.3.3 either -

(a) the Leader of the Council has, within the period specified in the notice under sub-paragraph (c) above, notified the committee that neither he/she nor any other member of the Cabinet has any objection to the making of the offer;

(b) the Proper Officer has notified the committee that no objection was received by him/her within that period from the Leader of the Council; or

(c) the committee (or in the case of the appointment of the Head of Paid Service, the full Council) is satisfied that any objection received from the Leader of the Council within that period is not material or well-founded.

1.4.4 Notice of the dismissal as a result of disciplinary action, of an officer referred to in sub-paragraphs 1.3.1.1 to 1.4.3 above must not be given until –

Dismissals

1.4.4.1 the committee has notified the Proper Officer of the name of the person who it wishes to dismiss (in the case of the Head of Paid Service, the Monitoring Officer, or the Chief Finance Officer, subject to the approval of the Council) and any other particulars which it considers are relevant to the dismissal;

1.4.4.2 the Proper Officer has notified every member of the Cabinet of:-

(a) the name of the person whom the committee wishes to dismiss;

(b) any other relevant particulars relevant to the dismissal which the committee has notified to the Proper Officer; and

(c) the period within which any objection to the dismissal is to be made by the Leader of the Council on behalf of the Cabinet to the Proper Officer; and

1.4.4.3 either:-

(a) the Leader of the Council has, within the period specified in the notice under sub-paragraph (c) above, notified the

committee that neither he/she nor any other member of the Cabinet has any objection to the dismissal;

(b) the Proper Officer has notified the committee that no objection was received by him/her within that period from the Leader of the Council; or

(c) the committee (or in the case of the proposed dismissal of the Head of Paid Service, the full Council) is satisfied that any objection received from the Leader of the Council within that period is not material or well-founded.

1.4.5 The Proper Officer for the purposes of the rules shall be the Head of Corporate Services for the time being of the Council or if he/she is unable to act in that capacity (either due to absence or as a result of conflict of interest (e.g. prior involvement)) the Monitoring Officer.

1.5 Disciplinary Action/Dismissal – Members of the Leadership Team (other than the Head of Paid Service)

1.5.1 Where the Head of Paid Service considers that the actions of any officer who is designated as a member of the Leadership Team (other than the Head of Paid Service) warrant investigation, the Head of Paid Service may suspend the relevant officer(s) pending the outcome of an investigation under the Council's disciplinary procedure, but otherwise disciplinary action against or the dismissal of any officer who is designated as a member of the Leadership Team (other than the Head of Paid Service) will be undertaken by a politically balanced panel of councillors set up for that purpose. That panel must include at least one member of the Cabinet.

1.5.2 Notice of disciplinary action against an officer identified in paragraph 1.5.1 must not be given until:-

(a) the panel has notified the Proper Officer of the name of the person who it wishes to discipline and any other particulars which it considers are relevant to the action proposed.

(b) the Proper Officer has notified every member of the Cabinet of:-

(i) the name of the person whom the panel wishes to discipline

(ii) any other particulars relevant to the disciplinary action which the panel has notified to the Proper Officer

1.5.3 Notice of the dismissal as a result of disciplinary action, of an officer referred to in paragraph 1.5.1 must not be given until:-

- (a) the panel has notified the Proper Officer of the name of the person who it wishes to dismiss and any other particulars which it considers are relevant to the dismissal;
- (b) the Proper Officer has notified every member of the Cabinet of:-
 - (i) the name of the person whom the panel wishes to dismiss
 - (ii) any other particular relevant to the dismissal which the panel has notified to the proper officer.

1.5.5 The Proper Officer for the purposes of the rules shall be as specified in paragraph 1.4.5.

1.6 Appeals

Nothing in paragraph 1.3 shall prevent a member from serving on a committee or sub-committee established by the Council to consider an appeal by:-

- 1.6.1 a person against any decision relating to the appointment of that person as an employee of the Council; or
- 1.6.2 an employee of the Council against any decision relating to the dismissal of, or taking disciplinary action against, that employee.

1.7 Disciplinary action - Head of Paid Service, Monitoring Officer, and Chief Finance Officer

- 1.7.1 No disciplinary action in respect of the Head of Paid Service, Monitoring Officer, or Chief Finance Officer, except action described in paragraph 1.7.2, may be taken by the Council, or by a Committee, a Sub-Committee, a Joint Committee on which the Council is represented, or any other person acting on behalf of the Council, other than in accordance with the provisions under regulation 7 and schedule 3 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct).
- 1.7.2 The Head of Paid Service, Monitoring Officer, or Chief Finance Officer may only be suspended by a politically balanced panel as referred to in paragraph 1.4.1 and such suspension shall only be for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the date of such suspension.