

To: **Members of the Constitutional Sub-Committee**
Councillors: C Fitzsimmons (Chair), B Axcell,
P Bretherton, J Joyce, P Kennedy

Diana Terris
Chief Executive

Town Hall
Sankey
Street
Warrington
WA1 1UH

Constitutional Sub-Committee
Tuesday, 7 February 2012 at 4.30 pm
Committee Room 2, Town Hall, Warrington

Agenda prepared by Sharon Parker Councillor Services Manager Telephone:
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AGENDA

Part 1

Items during the consideration of which the meeting is expected to be open to members of the public (including the press) subject to any statutory right of exclusion.

1. **Apologies**
2. **Code of Conduct - Declarations of Interest**

Members are reminded of their responsibility to declare any personal or prejudicial interest that they have in any item of business on the agenda no later than when the item is reached.

3. **Minutes**

To receive the minutes of the meeting held on 31 August 2011

4. **Proposed new Governance Arrangements**

Report of the Executive Board Member for Corporate Assignments – **To Follow**

5. **Financial Regulations**

Report of the Chief Finance Officer



Part 2

Items of a "confidential or other special nature" during which it is likely that the meeting will not be open to the public and press as there would be a disclosure of exempt information as defined in Section 100I of the Local Government Act 1972.

Nil

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INVESTOR IN PEOPLE



CONSTITUTIONAL SUB-COMMITTEE

31 August 2011

Present: Councillors B P Axcell, P Bretherton, C Fitzsimmons,
J Joyce, P Kennedy

CSC 1 Apologies

Nil

CSC 2 Code of Conduct – Declarations of Interest

There were no declarations of interest received.

CSC 3 Minutes

The Minutes of the meeting held on 22 March 2011 were signed and agreed as a correct record.

CSC 4 Review of Executive Board and Committee Structure

The Sub-Committee received a report of the Executive Member for Corporate Assignments, Councillor R Bowden on the proposed programme for the Executive Board and Committee review which sought elected members contributions to the development of the proposals for consultation.

In considering the report Members noted that the Leader had announced at the Annual Council meeting held on 23 May 2011 that a review of Executive Board and Committee structures was to take place with implementation of the new structure by May 2012.

Members noted that the initial aim of the review was to ensure that the Executive Board operates effectively and that the portfolio roles and responsibilities are appropriate for effective decision making. Members noted that it is possible that the review will lead to a reduction in the size of the Executive Board.

Members noted that a wider objective of the review was to ensure that there is greater Member involvement in consultation, policy development and scrutiny and that this leads to a more inclusive decision making process. Members noted that although the decision making authority of the Council would remain with the Executive Board, there is potential to seek greater involvement of Members in the development of policy, strategy and recommendations. This would require some reorganisation of the Overview & Scrutiny Committee structure and appropriate amendments to the Council Constitution and Committee Terms of Reference.

Members noted that the scope of the review will not include the structure of the existing Regulatory and other Committees.

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Members noted that reorganisation of the Executive Board and the Overview & Scrutiny Committee structures would provide greater openness and transparency of Council policy and decisions, to all Members, Council officers and the general public based on the Council's key priorities.

Members noted that the enhanced role of all Members will improve consultation on key policies and decisions. Members noted that appropriate revision of the Committee system and cycle should not increase the timeframe for key decisions but allows for wider engagement with Members before those decisions are made. This is in contrast to the existing Overview & Scrutiny process, where any review or scrutiny is made after the event.

In discussing this point, members commented that the name Select Committee could be misleading and suggested that Policy Committee's might be more appropriate.

Members noted that enhancing the involvement of all Members provides an opportunity to widen the development of Members, building skills, capacity and expertise that will be to the benefit of the Council as a whole.

Members noted that that it is a fundamental role of the Council to provide effective leadership, governance and scrutiny. Any changes to the Executive Board and the Overview and Scrutiny Committee system must ensure that these functions remain credible, robust and provide value for money to the residents of Warrington.

Members also noted that reorganisation may also offer some potential efficiency savings to the Council, through:

- A smaller Executive Board;
- A streamlined scrutiny process, possibly with a single Scrutiny Committee;
- Rationalisation of Special Responsibility Allowances (SRAs);
- An effective Committee cycle;
- Optimised support services from Democratic & Members Services.

Members noted that any reorganisation of the Executive Board and the Overview and Scrutiny functions are expected to be evolutionary rather than revolutionary.

Members noted and recognised the impending Localism Bill and the potential changes to Council governance. Any reorganisation arising from this review may therefore be a first step in longer term governance reform.

Members noted that research of other Council structures within the sub-region and a representative 'peer group' (i.e. local authorities with similar population, demographics etc.) showed that a diverse range of models exist within Councils, each tailored to local circumstances.

Members noted that across these authorities, the Executive Boards vary in size from 7-10 Members. Where smaller Executive Boards are in place, the Leader and/or Deputy Leader often also have formal portfolios. Early discussions have been held with Warrington's Executive Board and they are open to hearing a wide range of

views before recommending a proposal on the number and range of Executive Board portfolios.

In discussing this point Members commented that it is critical that, when identifying Portfolio Roles, Ordinary members of the public are able to understand their meaning and relevance.

Members noted that many local authorities retain a number of Overview and Scrutiny Committees, generally aligned to traditional Corporate Plan priorities. Very few have moved to a single OSC, suggesting that where Executive Boards have been reduced in size, this has not been as part of a wider review as was being proposed for Warrington.

Members noted that there is an obligation to retain a Standards Committee in the new structure.

Members noted that the Independent Remuneration Panel will need to consider the proposals against the current allowances scheme and make appropriate recommendations to Council. In discussing this matter, members commented that there is an expectation that the cost of the new Governance structure be neutral at worst and potentially bring savings.

Decision: That a report be submitted to the 20 September 2011 meeting of the Corporate Audit and Governance Committee detailing the work of the Sub Committee, actions arising from this work programme and recommendations to amend the call in process in line with the discussion and comments at this meeting.

CSC 5 Executive Board and Committee Review Local Government Act 2000 and Localism Bill

The Sub-Committee received a report of the Assistant Chief Executive detailing the work of the Audit and Corporate Governance Committee in 2010/11 and on progress of the Localism Bill.

Members noted that in the course of the municipal year 2010/11 the Constitutional Sub Committee addressed a variety of matters relating to the Council's decision making processes and constitution. A summary of that work, presented to the Audit and Corporate Governance Committee of 20th April 2011, was noted.

Members noted that in the context of the Leader's announcement at Annual Council on 23rd May 2011 concerning a review of Executive Board and Committee structures, the work of the Constitutional Sub Committee in the last municipal year provides a foundation for further development of the matter.

Members noted that it is particularly important for the Sub Committee to bear in mind that until the Localism Bill receives Royal Assent the requirements of the Local Government Act 2000 will remain in force. In particular the Local Authorities (Functions and Responsibilities) (England) Regulations 2000 will continue to determine the role of the Executive Board in decision making.

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Members noted that the practical impact of this was that the current Leader and Executive model of governance will have to remain in place for the time being. Nevertheless, the existing statutory framework should provide the Council with sufficient flexibility to allow greater member involvement in development of policy, strategy and recommendations.

Members noted that the Localism Bill had yet to receive Royal Assent. The next stage in the passage of the Bill is Report Stage in the House of Lords. This is scheduled for 5th September 2011.

Decision: That the report be noted.

CSC 20 Date and Time of Next Meeting

The next meeting of the Sub Committee was to be held on 18 October 2011.

The remaining dates being as follows –

03/01/12
28/02/12
03/04/12

Signed

Dated.....

WARRINGTON BOROUGH COUNCIL

Constitutional Sub Committee

7 February 2012

Report of the: Councillor R Bowden Executive Member for Corporate Assignments

Report Author: Sharon Parker

Contact Details: **Email Address:** **Telephone:**
szparker@warrington.gov.uk 01925 442311

Ward Members: All

TITLE OF REPORT: EXECUTIVE BOARD AND COMMITTEE REVIEW

1. PURPOSE

1.1 To present the outcome of the consultation on the proposed programme for the Executive Board and Committee review to enable the Sub Committee to make recommendations to the Audit and Corporate Governance Committee on 23 February 2012 and Council on 26 March 2012.

2. CONFIDENTIAL OR EXEMPT

2.1 Not confidential or exempt.

3. INTRODUCTION AND BACKGROUND

3.1 The Leader announced at Annual Council on 23 May 2011 that a review of Executive Board and Committee structures was to take place with implementation of the new structure by May 2012.

3.2 The initial aim of this review is to ensure that the Executive Board operates effectively and that the portfolio roles and responsibilities are appropriate for effective decision making. It is possible that the review will lead to a reduction in the size of the Executive Board.

3.3 A wider objective of the review is to ensure that there is greater Member involvement in consultation, policy development and scrutiny and that this leads to a more inclusive decision making process. Although the decision making authority of the Council would remain with the Executive Board, there is potential to seek greater involvement of Members in the development of policy, strategy and recommendations. This would require some reorganisation of the Overview & Scrutiny Committee structure and appropriate amendments to the Council Constitution and Committee Terms of Reference.

4. PROGRESS SO FAR

4.1 The proposals for the new governance arrangements were considered as detailed:

- Executive Board – 15 August 2011
- Constitutional Sub-Committee – 31 August 2011
- Audit & Corporate Governance Committee – 22 September 2011

4.2 Two Member Briefing Sessions were also held on 9 November, to which all Councillors were invited to attend. These interactive sessions were led by Councillor Bowden.

5. CONSULTATION

5.1 On 28 November the attached letter (Appendix 1) was sent to the following partners/organisations as part of the formal consultation process:

- All Parish Councils
- Neighbourhood Boards (presentations were also provided to the Boards)
- Warrington Partnership (including Police, Fire, Warrington Health Consortium etc)
- Information was made available on Council website

5.2 The closing date for receipt of comments was Friday 30 December 2011. Although following requests by some Parish Councils and Neighbourhood Boards the closing date was extended slightly to allow for comments to be received where those bodies were not going to meet until after the closing date.

6. OUTCOME OF CONSULTATION

6.1 Responses were received from a variety of partners, a full list is provided in Appendix 1.

6.2 General Comments

In the main there has been support for the proposals. In particular the intended savings on governance, greater transparency and inclusivity of members have been cited as positives in the proposed revised structure.

Feedback from Councillors attending the Member Briefing Sessions was positive. It was considered that the Policy Committees would add value and the proposals were a more inclusive model. The current system led to some members feeling left out of the decision making process.

It was further considered that the new model could be more supportive of Executive Board members. Former Executive Board members commented it would be useful to have a team/policy group, to explore issues with and the Policy Committee would provide for this and across all political groups.

It was also a good learning opportunity for all political groups to work together.

However, one Parish Councillor did have concerns about the proposals and did not see any benefits to the exercise.

6.3 Specific Comments for consideration:

Specific comments have been made by consultees, the details of which are provided below in sub categories.

6.4 Executive Board

6.4.1 Will the reduction in the number of Executive Board members mean that it will be 'spreading itself too thinly'?

6.4.2 That all members of the Executive Board are encouraged to engage and influence the "well-being" agenda.

6.4.3 Suggested portfolio responsibilities:

- Health, Wellbeing and Adult Social Care (this could include public health and public protection).
- Children, Young People and Skills.
- Resources, Improvement and Efficiency.
- Merge the two existing policy committees for E&R into Environment, Transport and Climate Change and establish a portfolio for Economy, Development and Growth.

6.4.4 Consideration be given to regeneration or economic development as a specific portfolio role.

6.5 Overview & Scrutiny (OSC)

6.5.1 Concern that the reduction number of Overview and Scrutiny Committees will lead to demise in the quality of inspection of the performance of the Executive Board and Council Officers..

6.5.2 Consider the measures needed to ensure one OSC focuses on priority issues.

6.5.3 The Overview and Scrutiny Committee has a broad remit to explore health and wellbeing issues.

6.6 Representation in the decision making process

6.6.1 Neighbourhood Boards have asked that appropriate representation is integrated into the decision making structure for example:

Co-opted/advisory members included on the relevant policy committees.

6.7 Policy Committees

6.7.1 A Committee with responsibilities for Economy, business and major development be included to reflect the portfolio priorities.

6.7.2 The Committees should optimise partnership working.

6.7.3 The new structure needs a more prominent role for housing issues.

6.8 Other Comments on the proposed new governance arrangements

6.8.1 Clarity is needed on Parish Council Liaison, and where this will be considered under the new arrangements.

6.8.2 Consider how the Health and Well-Being Board, Local Enterprise Partnership and Local Nature Partnerships fit into the proposal.

7 CONCLUSION

7.1 Clearly there have been positive comments for the proposed new governance arrangements particularly from Councillors themselves. Some consultees have made specific recommendations around the size of the Executive Board and the portfolio titles. Comments have further been made about representation on policy committees and OSC and how they will operate. The Sub Committee may wish to form a view on these comments prior to making a recommendation to the Audit and Corporate Governance Committee.

8 EQUALITY AND DIVERSITY / EQUALITY IMPACT ASSESSMENT

8.1 The aim of the review is to encourage inclusive and full participation of all members. A full Equality Impact Assessment is enclosed as appendix 2.

9. REASONS FOR RECOMMENDATION

9.1 To ensure that the Constitutional Sub Committee are fully consulted and engaged in the review process and are equipped to make recommendation to the Audit and Corporate Governance Committee.

10. RECOMMENDATION

10.1 That the Sub Committee consider this report, and make appropriate recommendations to the Audit and Corporate Governance Committee.

| 11. | Clearance Details: | Name | Consulted | | Date Approved |
|-----|-------------------------------------|------------------------|-----------|----|---------------|
| | | | Yes | No | |
| | Chair of Constitution Sub Committee | Councillor Fitzsimmons | | ✓ | |
| | SMB | | | | |
| | Relevant Executive Director | Katherine Fairclough | ✓ | | 16.1.12 |
| | Solicitor to the Council | Tim Date | ✓ | | 16.1.12 |
| | S151 Officer | Lynton Green | | ✓ | |
| | Relevant Assistant Director | n/a | | | |

Appendix 1

Diana Terris
Chief Executive

Members' Suite
West Annexe
Town Hall
Warrington
WA1 1UH

Partner agencies

Warrington Partnership:

Cheshire Police
Golden Gates Housing Trust
Peter Crompton – Warrington Partnership Member Private Sector Representative
Warrington Health Consortium

Neighbourhood Boards:

South Area Neighbourhood Board
Central Neighbourhood Board

Town and Parish Councils:

Appleton
Birchwood Town Council
Culcheth & Glazebury
Great Sankey
Lymm
Penketh
Rixton with Glazebrook
Stockton Heath
Walton Parish Councillor

Warrington Borough Council

Councillors via interactive Member Briefing Sessions on 9 November 2011
Strategic Management Board (SMB)

Our Ref: RB/JH

28 November 2011

Dear Colleagues

Review of Warrington Borough Council's Executive Board and Committee Structures

Warrington Borough Council is undertaking a review of its Executive Board and Committee structures.

I have attached a report which provides the background to this and the options being considered.

As one of our partner agencies, we are seeking your views on the proposal as part of the consultation process that will take place until 30 December 2011. This review is intended to lead to improved efficiency, greater member involvement in consultation, policy development and scrutiny and that this will enable more effective decision making.

In essence the proposals suggest:

1. A reduction in the number of Executive Board members, from 10 to 8, and a consequent widening of their areas of responsibility.
2. A reduction of Overview and Scrutiny Committees from 5 to 1.
3. The establishment of a number (yet to be determined) of policy committees.

The role and functions of each of these bodies is explained below:-

Executive Board

The Executive is accountable to the Council, for certain functions that are provided by Council officers or services. The Executive operates in line with the Council's constitution and has the power to set up sub-committees as appropriate. There are currently 10 members of the Executive and all are drawn from the majority political party. The role of the Executive is to:

- a) Make key decisions that have a significant impact on the community or hold considerable financial implications;
- b) To implement the policy and budget framework of the Council;
- c) Delegate decisions to an individual executive member or senior officer.

Overview and Scrutiny

The Council's Overview and Scrutiny Committees (OSC) have the responsibility:

- a) To hold the Executive Board to account, to act as a "critical friend" and call in key decisions
- b) They also have a role in more widely contributing to and challenging the development of policy. The OSC are made up of members from all parties and are politically balanced in their membership.

There are currently 5 OSC. The proposal would be to reduce this number to 1. This Committee would remain to hold the Executive to account; and have responsibility for the call in of key decisions; and undertake any statutory scrutiny roles (at present these relate to health and community safety).

Policy Committees

This will be a new development and the number of committees is yet to be determined. However, it is envisaged that Policy Committees will be made up of members of all parties and will:

- a) Contribute to developing Council policy and strategy at an early stage;
- b) Work with Executive Board members to inform their decision making and make recommendations to the Executive Board

We are keen to hear your views on the following questions:

- 1a. Are you supportive of these proposals – **Yes/No**.
- 1b. Please provide any reasons why you have responded in this way.
- 2. Will these changes make it easier/or more likely that you will engage with the Borough Council?
- 3. If the OSC is particularly relevant for your area of work, do you feel the new arrangements will provide for robust scrutiny?
- 4a. Do you believe these proposals will enable more open decision making? – **Yes/No**.
- 4b. Please provide any reasons why you have responded in this way.

5. Any other comments.

The findings of the consultation process will be compiled in January and is paper reported to various council committees and final proposals developed. This will then be reported to the Full Council for ratification on 26 March 2012.

Please send any comments to Sharon Parker, FREEPOST WA668, Town Hall, Sankey Street, Warrington, WA1 1BR or email szparker@warrington.gov.uk by Friday 30 December 2011.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Russ Bowden', written in a cursive style.

Councillor Russ Bowden
Executive Board Member, Corporate Assignments

If you have difficulty making contact with your Councillor please ring 01925 442139
or email ahorrigan@warrington.gov.uk

Agenda Item 4 Appendix 2 Equality Impact Assessment



SECTION 1: Aims and Objectives of the Structure/Service

Directorate: Assistant Chief Executive

Department: Democratic and Member Services.

Assessment Lead: Helen Stanley

Email: hstanley@warrington.gov.uk Telephone Number: 01925 442121

Review of Executive Board and Committee Structures

This is an initial Equality Impact Assessment in respect of the proposed new Executive Board and Committee Structures which are due to come into effect in May 2012. A detailed EIA will be undertaken prior to the implementation of the new structure.

Aims and Objectives – The aim of the review is to ensure that there is greater member involvement in consultation and policy development and that this will lead to a more inclusive decision making process. It will deliver wider opportunities for member development, building skills, capacity and expertise. A synopsis of the proposals is as follows:-

- A reduction in the number of Executive Board members, from 10 to 8, and a consequent widening of their areas of responsibility.
- A reduction in the number of Overview and Scrutiny Committees from 5 to 1.
- The establishment of a number of policy committees (yet to be determined)

Stakeholders – The main stakeholders affected by the review are elected members, Neighbourhood Boards and other key partners such as Police, Health, Cheshire Fire & Rescue Services, Golden Gates Housing Trust, and third sector agencies. Other affected stakeholders include residents of Warrington, local businesses, Parish Councils, Senior Management Board, officers within all Council directorates and independent co-opted committee members.

Outcomes – The proposed new structure will lead to more open and transparent decision making which is visible to the residents of Warrington and deliver effective governance and value for money.

SECTION 2: Research and Intelligence

| Equality Group | Stakeholder Profile | Involvement and Consultation |
|---------------------|---|--|
| Sex (Gender) | <p><u>Residents</u> - In July 2011 the population of Warrington was estimated at 198,900. 98,500 of the population were male (49.2%) and 100,400 were female (50.8%)</p> <p><u>Councillors</u> - The Council has a total of 57 Councillors. In January 2012 37 Councillors were male (64.9%) and 20 Councillors were female (35.6%). This is higher than the national average which is 30.6% (<i>Source – national census of Local Authority Councillors 2010</i>)</p> <p><u>Officers</u> – In December 2011 the Council employed 8,633 people, 22% of the workforce were male and 78% of the workforce were female.</p> | <p>The following activities were undertaken for all equality groups:-</p> <ol style="list-style-type: none"> 1. Interactive Councillor Briefing Sessions in November 2011. 2. Reports to Executive Board and Audit and Corporate Governance Committee in August and September 2011 respectively. |
| Disability | <p><u>Residents</u> - In November 2010 there were 11,120 claimants of disability living allowance. This accounts for 5.6% of the total population which is slightly above the national average of 5.2%. The rate of Incapacity Benefit Claimants has gradually decreased from 7.6% to 6.2% between 2005 and 2009 and currently stands at 5.6%.</p> <p><u>Councillors</u> – Equality monitoring for councillors is due to commence in February 2012.</p> <p><u>Officers</u> There are 1.2% of officers with a declared disability.</p> | <ol style="list-style-type: none"> 3. The following stakeholders were consulted by letter in November 2011 <ul style="list-style-type: none"> • All Parish Councils • Neighbourhood Boards • Warrington Partnership – this includes the following agencies:- Warrington Health Consortium Golden Square Warrington Collegiate Job Centre Plus Citizens Advice Bureau Bridgewater Community Trust Older Peoples Engagement Group NHS Warrington Golden Gates Housing Trust Churches Together in Warrington Cheshire Fire & Rescue Cheshire Police |
| Age | <p><u>Residents</u> Warrington currently has a relatively young population. However, the number of older people is projected to grow significantly by 2033. The number of children (aged 0 to 15) is projected to grow to 38,600 (increase of 2.1% since 2008 compared to 12.4% nationally). The number of people (aged 16 to 64) is projected to grow to 128,300 (increase of only 0.3% since 2008 compared to 7.4% nationally). The number of older people (aged 65 and over) is projected to grow significantly to 54,100 (increase of 79.7% since 2008 compared to 65% nationally).</p> <p><u>Councillors</u> - In January 2012 the average age for a councillor in Warrington was 52.19 years which is lower than the national average of 59.7 (<i>Source – national census of Local Authority Councillors 2010</i>) In 2012 3 councillors were under the age of 34</p> <p><u>Officers</u> In December 2011 the average age of the workforce was 44 years.</p> | <ol style="list-style-type: none"> 4. Presentation to Informal Executive and Strategic Management Board. 5. Information published on the Council's website. |

Agenda Item 4 Appendix 2

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Agenda Item 4 Appendix 2

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| Race | <p><u>Residents</u> - The majority of people who live in Warrington identify themselves as White British. 6.9% of the population describe themselves by other categories compared to 11.6% in the Northwest and 17.2% in England. The next largest group is 'Other White' estimated at 3,900 (2.0%) followed by 'Irish' and 'Indian' both estimated at 1,600 (0.8%) and 'Pakistani' estimated at 1,300 (0.7%). According to the Annual Population Survey around 4.59% (approximately 9000) residents identify themselves as non-UK nationals.</p> <p><u>Councillors</u>: - Equality monitoring for councillors is due to commence in February 2012.</p> <p><u>Officers</u> - In December 2011 96.4% of people employed by the Council were from a White British ethnic background, 0.9%, were from mixed/multiple ethnic groups, 1.9% were from Asian/Asian British ethnic groups, 0.5% were from Black/African/Caribbean/Black British ethnic groups and 0.3% were from other ethnic groups.</p> |
| Religion and Belief | <p><u>Residents</u> - The majority of respondents to the 2008 Warrington Place Survey were Christian (82%), with 13% saying they have no religion or belief, and 2% describing themselves as Buddhist, Muslim, Sikh, Jewish or other.</p> <p><u>Councillors</u>: - Equality monitoring for councillors is due to commence in February 2012.</p> <p><u>Officers</u>: - This data is currently being updated and will be available after 1/2/12.</p> |
| Sexual Orientation and Gender Reassignment | <p><u>Residents</u>: - There is no statistically reliable data on the proportion of Warrington's residents who declare themselves as lesbian, gay, bi-sexual and transgender. In the 2010 Warrington Together survey 91% of residents described themselves as heterosexual, 1% as lesbian, gay or bisexual and 8% did not respond.</p> <p><u>Councillors</u>: - Equality monitoring for councillors is due to commence in February 2012.</p> <p><u>Officers</u> - :- This data is currently being updated and will be available after 1/2/12.</p> |
| Pregnancy & Maternity | <p><u>Residents</u>: - Between January and September 2011, there were 2,261 pregnant women in Warrington.</p> <p><u>Officers</u>: Information is limited at the present time however action will be taken during 2012 to improve collection of this data.</p> |
| Marriage and Civil Partnership | <p><u>Residents</u>: - According to the 2001 census of the 16+ population there are 82,810 married people (54.7% of the total), 15,615 divorced (10.3%), 11,991 widowed (7.9%) and 40,853 single people (27%).</p> |

SECTION 3: Assessing the Impact

| Equality Group | Key Evidence from the Stakeholder Profile | Relevant Evidence from the Consultation Process and potential equality impact | Suggested measures for consideration |
|------------------------|---|--|--|
| Sex (Gender) | There are a higher number of female councillors than the national average | <p>The following evidence is relevant to all equality groups :-</p> <ul style="list-style-type: none"> • Councillors felt that the proposed new structure would improve transparency and inclusivity which could be viewed as a positive impact in terms of councillor engagement. • One partner agency suggested that Executive Board should engage with and influence the wellbeing agenda. This suggestion could be a viewed as a positive impact particularly for the disability and age equality groups. • A Parish Council commented that that the cut in the number of scrutiny committees could lead to decreased accountability for Executive Board. This could potentially have a negative impact on some equality groups. • A number of stakeholders suggested that appropriate representation from partner organisations be integrated into the decision making structure. This could be viewed as a positive impact if partner organisations that represented different equality groups were included as co-optees in the new structure | <p>The following suggested measures are relevant to all equality groups and address some of the issues identified in the stakeholder profile and evidence received from the consultation process:-</p> <ul style="list-style-type: none"> • In order to ensure that the new structure is accessible it is suggested that it be widely promoted to all stakeholders including residents and staff. This will also help to ensure that decision making is transparent. • That the protocols contained within the constitution relating to public questions be reviewed to improve public engagement in the decision making process. Revised protocols could encourage more residents to ask questions at committee meetings. • Research is undertaken with regard to the use of social media to promote decision making and increase accessibility to councillors. • That all documentation relating to council committees be written in a clear easy to read style and offered in alternative formats/languages on request. |
| Disability | The number of residents claiming disability living allowance is slightly above the national average | | |
| Age | <ul style="list-style-type: none"> • The number of older people is expected to rise significantly over the coming years • The average age of a councillor is lower than the national average | | |
| Race | The majority of the population identify themselves as White British. The % of the population who identified themselves as belonging to other groups is significantly lower than the national average. There is also a % of the population who identify themselves as non UK nationals | | |
| Religion/Belief | | | |

Agenda Item 4 Appendix 2

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| Sexual Orientation And Gender Reassignment | | | <ul style="list-style-type: none"> • That Committee report templates be revised to include a brief EIA with each report in addition to the existing summary of equality actions contained in reports. • That consideration be given to the formation of agendas for the Overview & Scrutiny Committee to ensure that key priorities are addressed and Executive Board and other partners are held to account. • That consideration is given to the inclusion of stakeholders on the Overview & Scrutiny Committee and Policy Committees that include representation from older peoples, disability and ethnic minority groups. • That consideration be given to the membership of Committees and the appointment of Chairs to ensure that they are balanced in terms of gender and age |
| Pregnancy & Maternity | | | |
| Marriage and Civil Partnership | | | |

WARRINGTON BOROUGH COUNCIL

CONSTITUTIONAL SUB – COMMITTEE 7 FEBRUARY 2012

Report of the: Chief Finance Officer
Report Author: Jean Gleave, Chief Internal Auditor
Contact Details: Email Address: Jgleave2@warrington.gov.uk Telephone: 01925 442354

Ward Members: All

TITLE OF REPORT: REVISIONS TO FINANCIAL AND CONTRACT PROCEDURE RULES

1. PURPOSE OF THE REPORT

- 1.1 The purpose of the report is to brief the Sub Committee on the proposed revisions to the Council's financial and contract procedure rules. The suggested revisions to the financial procedure rules are attached at Appendix A to this paper and the suggested revisions to the contract procedure rules are attached at Appendix B.

2. CONFIDENTIAL OR EXEMPT

- 2.1 Not confidential or exempt.

3. INTRODUCTION AND BACKGROUND

- 3.1 To conduct its business efficiently, the Council needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial procedure rules and contract procedure rules that set out the policies of the Council.
- 3.2 The current rules are included in Part 4 section F of the Constitution and have been in place, subject to minor revisions, since June 2009. The rules have now been subject to a full revision to reflect up to date procedures and processes in place in the Council.
- 3.3 Financial limits contained within the rules have been subject to discussions with the Chief Finance officer (S151 Officer) and the Executive Member Economy and Resources.

4 TIMETABLE – DRAFT

- 4.1 Draft revisions will be discussed at the Constitutional Sub – Committee meeting on 7 February 2012.
- 4.2 A report will be presented to the Audit and Corporate Governance Committee on 15 March 2012.
- 4.3 The final report on revisions will be made to Annual Council on 21 May 2012.

5. FINANCIAL CONSIDERATIONS

- 5.1 Robust financial management policies provide clear guidance to staff in the Council and this will have a positive impact on the Council's financial position through sound financial control.

6. RISK ASSESSMENT

- 6.1 There are no risk issues in the revisions of the procedure rules.

7 EQUALITY AND DIVERSITY/EQUALITY IMPACT ASSESSMENT

- 7.1 There are no specific equality issues in relation to the content of this report.

8. CONSULTATION

- 8.1 Comments have been sought from the Strategic Management Board.

9. REASONS FOR RECOMMENDATIONS

- 9.1 To ensure that the Council maintains an effective framework of internal control.

10. RECOMMENDATION

- 10.1 That the Committee considers and agrees the revisions to the financial procedure rules and contract procedure rules.

11. BACKGROUND PAPERS

Internal Audit documents.

CONTACTS FOR BACKGROUND PAPERS:

| Name | E-mail | Telephone |
|---------------------------------------|--|------------------|
| Jean Gleave Chief Internal Auditor | Jgleave2@warrington.gov.uk | 01925 442354 |

| 10. | Clearance Details | | | |
|------------|---------------------------------|------------------|-----------|------------------|
| | Name | Consulted | | Date |
| | | Yes | No | Consulted |
| | Committee Chair | | ✓ | |
| | SMB | | ✓ | |
| | Solicitor to the Council | | ✓ | 27/1/12 |
| | Chief Finance Officer | | ✓ | 27/1/12 |

FINANCIAL PROCEDURE RULES

January 2012 Proposed Amendments

January 2012

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Further advice can be obtained from:

Chief Internal Auditor
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 E-mail: jgleave2@warrington.gov.uk

PART 1 – BACKGROUND, PURPOSE AND STATUS OF FINANCIAL PROCEDURE RULES

Background

- 1.1 Warrington Borough Council (The Council) is a Unitary Authority with a population of approximately ~~194,000~~ 195,000 and an annual budget of approximately ~~£133-million~~ £155 million. It provides a diverse range of services to its residents. It works in partnership with its parish councils and neighbouring district councils and a number of other organisations.
- 1.2 The Council's governance structure is laid down in its constitution, which sets out how the Council operates, how decisions are made and the procedures that are followed.
- 1.3 The Council has adopted a leader and cabinet form of executive.
- 1.4 To conduct its business efficiently, the Council needs to ensure that it has sound financial management policies in place and that they are strictly adhered to. Part of this process is the establishment of financial procedure rules that set out the financial policies of the Council. As a modern council it is committed to innovation, within the regulatory framework, providing that the necessary risk assessment and approval safeguards are in place.
- 1.5 The financial procedure rules provide clarity about the financial accountabilities of individuals – Cabinet Members; the Chief Executive; the Monitoring Officer; the Chief Finance Officer (Section 151 Officer); and other senior officers. Each of the rules sets out the overarching financial responsibilities.
- 1.6 The rules should be read in conjunction with other internal regulatory documents forming part of the Council's constitution. For example: contract procedure rules; schemes of delegation; the role of Overview and Scrutiny Committees; Audit and Corporate Governance Committee; and member and employee codes of conduct.
- 1.7 Following formal approval and adoption of the financial procedure rules, the Council will need to ~~consider how they are to be~~ ensure that they are implemented. In particular, the Council will need to consider the various detailed financial procedures setting out the responsibilities of, for example, the Chief Finance Officer (Section 151 Officer) and other senior officers.
- 1.8 There are several documents, which make up the set of detailed financial procedures which follow the format set out below:
 - Introduction
 - why this is important
 - this sets the context for the financial procedures
 - responsibilities of the Chief Finance Officer (Section 151 Officer)
 - responsibilities of Executive Directors, ~~Heads of service~~ Assistant Directors, other senior officers.
- 1.9 These financial procedure rules follow a similar format.

Purpose and Status

- 1.10 Financial procedure rules provide the framework for managing the Council's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.
- 1.11 The financial administration of schools is contained within the Warrington Borough Council Scheme for Financing Schools. However, where specific activities are not contained within this scheme then these financial procedure rules must always apply.
- 1.12 The rules identify the financial responsibilities of: the full Council; Executive Board; Overview and Scrutiny Committees; Audit and Corporate Governance Committee; Chief Executive; Monitoring Officer; Chief Finance Officer (Section 151 Officer); and other senior officers.
- 1.13 Executive members and senior officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff.
- 1.14 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.
- 1.15 The Chief Finance Officer (Section 151 Officer) is responsible for maintaining a continuous review of the financial procedure rules and submitting any additions or changes necessary to the full Council for approval. The Chief Finance Officer (Section 151 Officer) is also responsible for reporting, where appropriate, breaches of the financial procedure rules to the Council and/or to the executive members.
- 1.16 The Council's detailed financial procedures, setting out how the rules will be implemented, are contained **on the Council's intranet** and in the various guidance/procedure notes/manuals that support these financial procedure rules. **Specific guidance on the use of the Council's Financial Information System (SAP) can be found in the relevant Transactional User Guides (TUGs) held on the SAP page on the Council's Intranet.**
- 1.17 Executive Directors and **~~Heads of Service~~ Assistant Directors** are responsible for ensuring that all staff in their directorates are aware of the existence and content of these 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 directorates.~~**
- 1.18 The Chief Finance Officer (Section 151 Officer) is responsible for issuing advice and guidance to underpin these financial procedure rules that members, officers and others acting on behalf of the Council are required to follow.

Urgent Action

- 1.19 Where urgent action becomes necessary as a result of some unforeseen emergency the Chief Executive, in consultation with the Chief Finance Officer (Section 151 Officer) (or in his/her absence, the Deputy Section 151 Officer), may take appropriate action and waive the financial procedure rules.
- 1.20 Every use of this rule must be reported by the Chief Executive, in writing, to the next available meeting of the Executive Board.

PART 2 – INTERPRETATIONS

Officer - means any employee and any official agent acting on behalf of the Council.

Certifying Officer - any officer to whom the power to certify accounts, invoices and expenditure vouchers have been delegated.

Responsible Officer - an officer whose duties require that he/she controls and accounts for any money, stores or materials, equipment or property on behalf of the Council.

Budget Holder - any officer who is responsible for the management of expenditure and/or income (i.e. a budget).

Cashier - an officer who deals with money on behalf of the Council

Money - means cash, cheques, postal orders, money orders and vouchers or mandates having a monetary value.

General Fund - is the revenue fund of the Council where all the day to day transactions involving expenditure and income are conducted for all the services of the Council, except those specifically separated into the Collection Fund Account and the Housing Revenue Account.

~~**Housing Revenue Account** - the Council is required to maintain a separate account known as the Housing Revenue Account, which sets out the expenditure and income arising from the provision of Council Housing.~~

Non-Council Funds (e.g. School Funds) - is any fund, other than an official Council Fund, which is controlled wholly or partly by an officer of the Council; which is connected with a service or service establishment and is financed other than by the Council.

Capital Programme - is broadly defined as expenditure on the acquisition of assets or works, which adds value to the Council's assets and provides benefit for more than one year.

PART 3 - FINANCIAL PROCEDURE RULES

FINANCIAL MANAGEMENT - ROLES AND RESPONSIBILITIES

Introduction

Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.

Why this is important

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. The following financial procedure rules relate to the key responsibilities of all parties to financial management. More detailed responsibilities can be found in the Council's constitution document.

The Full Council

FR1 The full Council is responsible for:

- a) **Adopting the Authority's constitution and members' code of conduct.**
- b) Approving the policy framework and budget within which the Executive operates.
- c) **Approving and monitoring compliance with the Authority's overall framework of accountability and control.**
- d) **Monitoring compliance with the agreed policy and related executive decisions.**
- e) Appointing a Chief Finance Officer (Section 151 Officer).
- f) Establishing an Internal Audit function.
- g) Establishing a financial governance framework.
- h) Approving these financial procedure rules as recommended by the Audit and Corporate Governance Committee.

The Executive Board

FR2 The Executive Board is responsible for:

- a) Proposing the policy framework and budget to the full Council.
- b) Discharging executive functions in accordance with the policy framework and budget.
- c) **Establishing protocols to ensure that individual executive members are consulted upon by relevant officers before decisions are taken within his or her portfolio area of responsibility. The individual member must take account of legal and financial liabilities and risk management issues that may arise from the decision.**

Overview and Scrutiny Committee

FR3 The Overview and Scrutiny Committee is responsible for **scrutinising executive decisions and for holding the Executive to account. The Committee is responsible for making recommendations on:**

- a) **Future policy options.**
- b) **Policy and budgetary framework.**
- c) **Financial performance.**
- d) **Service delivery.**

Audit and Corporate Governance Committee

FR4 The Audit and Corporate Governance Committee is **an advisory body a committee with full delegated powers and** which reports to the full Council. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors. The Committee is responsible for reviewing the external auditor's reports, the annual audit letter and internal audit's annual report. **The Committee oversees the work of the internal and external auditors, and promotes and maintains high standards in relation to the operation of the Council's Code of Corporate Governance, ensuring that an adequate risk management framework and associated control environment is in place and that the Council's financial and non-financial performance is properly monitored. The Audit and Corporate Governance Committee, independent from Executive and Scrutiny functions, is required to gain and monitor the necessary assurances as to the Council's internal control, governance, financial management and reporting framework.**

The terms of reference are:

- a) to discharge the responsibilities set out in the Accounts and Audit Regulations 2003;
- b) to develop, maintain, monitor and review the Council's Code of Corporate Governance and to undertake, as appropriate, an assessment of wider governance issues, including the Constitution and the administration and conduct of the Council's business and report to Council as necessary;
- c) to oversee, monitor and review the financial procedure rules and report to Council as necessary;
- d) to monitor and review the Council's audit functions and requirements in relation to both internal and external audit;
- e) to agree, monitor and review the Council's Risk Management Strategy and to ensure that effective Risk Management is embedded throughout the Council;
- f) to ensure the Council has in place appropriate policies and processes to safeguard the Council's resources and their use including appropriate mechanisms for anti-fraud and corruption;
- g) to monitor and review the Section 151 Officer (the Council's Chief Finance Officer) and his/her appointed Deputies in the performance of

their duties and responsibilities;

h) to approve the Council's Statement of Accounts and Statement of Internal Control as authorised by the full Council and as required under the relevant Account and Audit Regulations;

i) to approve the Council's Council Tax base each year.

~~The terms of reference include:~~

- ~~a) To oversee, monitor and review these financial and other procedure rules and report to Council as necessary.~~
- ~~b) To monitor and review the Section 151 Officer and his/her appointed deputy in the performance of their duties and responsibilities.~~
- ~~c) To approve the Council's annual Statement of Accounts and the Annual Governance Statement as authorised by the full Council and as required under the relevant Account and Audit Regulations.~~
- ~~d) To monitor and review the Council's audit functions and requirements in relation to both internal and external audit.~~
- ~~e) To agree, monitor and review the Council's Risk Management Strategy and to ensure that effective Risk Management is embedded throughout the Council.~~
- ~~f) To ensure the Council has in place appropriate policies and processes to safeguard the Council's resources and their use including appropriate mechanisms for anti-fraud and corruption.~~
- ~~g) To approve the Council's Tax base each year.~~

Other Regulatory Committees

FR5 Planning, conservation and licensing are not executive functions but are exercised through the multi-party Planning and Licensing Committees under powers delegated by the full Council. The Planning and Licensing Committees report to the full Council.

~~Executive Member for Corporate Services~~ Executive Member for Economy and Resources

FR6 The Executive Member for ~~Corporate Resources and Services~~:

- a) Holds, as a minimum, quarterly meetings with the Assistant Chief Executive to review performance.
- ~~b) Contributes to the development of the re-direction proposals set. (check model)~~
- c) Is consulted on the timetable and approach re:
 - Budget management arrangements,
 - ~~The~~ Closure of accounts procedures.
 - ~~Year-end procedures.~~
 - Statement of Annual accounts.
 - Annual Governance Statement.
 - Medium Term Financial Plan

Head of Paid Service (Chief Executive)

FR7 The Head of Paid Service is responsible for the corporate and overall strategic management of the authority. He or she must report to and provide information for the Executive, the full Council, the Overview and Scrutiny Committees 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 full Council's decisions.

Chief Finance Officer (Section 151 Officer)

FR8 The Chief Finance Officer is the financial adviser to the Council and has statutory duties in relation to the administration of the Council's financial affairs. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 2003
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2003.

FR9 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.
- Securing sound financial management.
- Providing financial information.
- Preparing the revenue budget and capital programme.
- Treasury management.

The Chief Finance Officer is responsible for the financial affairs of the Council as specified in ~~S151 of the Local Government Act 1972 and S114 of the Local Government Finance Act 1988~~ and in this capacity he/she is known as the 'Section 151 Officer' and is referred to as such from this point on in these procedure rules.

The Section 151 Officer:

FR10 Must maintain the necessary principal financial and accounting records for all services and activities and determine the accounting procedures. In this respect he/she is responsible for the production of the statutory final accounts; the preparation and submission of all grant claims and all financing arrangements.

FR11 Must ensure that there is a proper framework of financial rules contained within these financial procedure rules.

FR12 Is responsible for providing advice to the Chief Executive, other Executive Directors and ~~Heads of service~~ Assistant Directors on the installation of secure financial systems and internal controls. He or she is responsible for ensuring the accounting policies are applied consistently. Before installing or

changing any financial **policy**, system and/or process, full consultation with the **Assistant** Chief Executive's Directorate must be made, in sufficient time for proper consideration of system controls

Monitoring Officer

FR13 The Monitoring Officer (together with the Section 151 Officer) is responsible for advising the Executive Board or full 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-departmental transfers above budget transfer 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.

Executive Directors / Assistant Chief Executive

Executive Directors / Assistant Chief Executive are responsible for:

FR14 The overall management and control of financial arrangements within their directorates. They are responsible for ensuring that all staff in their directorates are aware of the existence of and understand the content of these financial procedure rules and that they comply with them and for taking appropriate action in the event of non-compliance.

FR15 The administration and security of information technology systems within their own directorate dealing with financial matters and in particular the accuracy of the data input and data produced by these systems.

FR16 Ensuring that executive members are advised of the financial implications of all reports to the Executive Board and the Section 151 Officer has agreed the financial implications.

FR17 Consulting with the Section 151 Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

~~Heads of Service Assistant Directors~~

FR18 ~~Heads of Service Assistant Directors~~ are responsible for the management and control of the financial matters delegated to them by Executive Directors including budget monitoring and control and will be held accountable for those functions.

FR19 ~~Heads of Service Assistant Directors~~ may formally delegate their responsibility to service managers but they remain accountable for the use of financial resources within their service area/s.

Service Managers

FR20 Service managers are responsible for taking spending decisions as part of their role as budget holders.

FINANCIAL PLANNING

Introduction

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

- The Corporate Plan.
- The Medium Term Financial Plan (MTFP).
- The Capital Investment Programme.

Why this is important

The Council 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 Medium Term Financial Plan (MTFP) and the budget is the financial expression of the Council's plans and policies.

FR21 The Section 151 Officer will prepare a MTFP for the Council, which must be agreed by Council each year. The MTFP must be a three year forecast, covering: the Council's spending plans; how the Council will fund its spending plans; Council's council tax level for the next year; ~~the Council's Housing spending plans~~; and its borrowing investment and cash-flow management plans (incorporating the Minimum Revenue Provision Strategy).

Capital Investment Programme

Why this is important

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, 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. As a result the Government places strict controls on the financing capacity of the Council. 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.

FR22 The Section 151 Officer will determine what is to be treated as capital expenditure in accordance with the Local Government **Finance Act 2003**.

FR23 In accordance with the Local Government Act 2003 and in conjunction with the Prudential Code the Council sets its own de minimus level for capital expenditure. That level is currently set at £10,000 **for general expenditure and £75,000 for property**. Only expenditure that exceeds this limit will be treated as capital expenditure **and this expenditure must meet specific criteria to qualify as being classed as capital**. **For a definition of what constitutes capital Expenditure see link:**
http://v23webint/ACE/finance/Accountancy_Services/Useful_Information.aspx

FR24 For schemes to be added to the Capital Programme a business case must be produced and approved by the Capital Investment Planning Group and they must be:

- a) Fully costed.
- b) Show the financing proposals.
- c) Identify any revenue implications and the funding of these.

~~**FR25** Priority schemes must be graded either amber or green status. Amber status means that it is included within the capital programme but requires either further work or funding to be secured. Green status means it is ready to proceed and funding has been secured.~~

FR26 Business cases, as detailed below, must be prepared before a scheme can obtain green status:

- ~~a) Schemes between £50k – £250k require a brief business case which must be approved by the relevant Head of Service.~~
- ~~b) Schemes above £250k require a more comprehensive business case which must be approved by the relevant Head of Service in consultation with the Section 151 Officer.~~
- ~~c) Schemes between £250k – £500k must be agreed with the lead Executive Member.~~
- ~~d) Schemes above £500k must be approved by the Executive Board.~~

- a) Schemes between £5k - £50k require a brief business case which must be approved by the relevant Budget Holder.
- b) Schemes between £50k - £200k require a more comprehensive business case which must be approved by the relevant Assistant Director in consultation with the Section 151 Officer.
- c) Schemes between £200k - £350k must be agreed by the Executive Director with the lead Executive Member.
- d) Schemes between £350k - £500k must be agreed by the Section 151 Officer with the lead Executive Member.
- e) Schemes above £500k must be approved by the Executive Board.

FR27 The Section 151 Officer, in consultation with the Chief Executive and the ~~Senior~~ Strategic Management Board (SMB) is responsible for compiling options for a draft capital programme.

FR28 The Executive Board is responsible for:

- a) Reviewing the draft capital programme prior to approval by the full Council as part of the Budget & Policy Framework.
- b) Monitoring the programme during the year.
- c) Approving additional schemes for inclusion in the Programme, subject to a prudent view of resource availability.

FR29 The Section 151 Officer must be consulted before any variation to a capital scheme, which extends or increases the overall costs. The Section 151 Officer in consultation with the Chief Executive can vary a Capital Programme up to:

*5% on schemes costing less than £4m
£200,000 on schemes costing £4m and above*

subject to the availability of uncommitted capital resources. Variations above these levels must be approved by the Executive Board.

- FR30** On completion of any capital scheme costing in excess of £250,000 a post completion review report must be compiled setting out whether the scheme objectives have been met.
- FR31** The relevant executive director/assistant director will appoint a named project manager for each approved capital scheme. The project manager will be responsible for authorising expenditure and for monitoring and controlling the progress and overall cost of the project against approvals and for remedial action and reporting. See [link] to budget holder responsibilities document.
http://wired.wla.int/Images/Budget%20Holder%20Information%20Pack%20Dec%202011_tcm33-56275.doc

Capital Receipts

Why this is important

The proper use of capital receipts is an important aspect in respect of financing future capital programmes.

- FR32** Capital receipts realised from the disposal of assets will be dealt with in accordance with statutory requirements and procedures laid down by the Council, under the [Local Government Finance Act 2003](#).
- FR33** Adequate provision must be made where the Council is required to set aside a proportion of capital receipts for the repayment of the Council's outstanding debt.
- FR34** The Executive Board will recommend to the Council how the remaining balances are to be utilised as part of the Budget & Policy Framework.

Reserves and Balances

Why this is important

The Council agrees a reserves and balances policy each year as advised by the Section 151 Officer and recommended by the Executive Board. It also decides the level of reserves and balances it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur.

- FR35** Reserves and balances can only be used for the purposes for which they were created.
- FR36** The Section 151 Officer will review all earmarked reserves annually and where the earmarked reserve is no longer required these will be transferred to general reserves.
- FR37** For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

FR38 ~~Heads of service~~ Assistant Directors in consultation with their Executive Director will notify the ~~Head of Accountancy Services~~ Chief Accountant of requests to fund expenditure from reserves. These requests will be subject to the authorisation by the Section 151 Officer and if approved, will confirm funds and make the necessary transfer of resources.

FINANCIAL MONITORING

Budget Management

Introduction

The Council operates in an environment of ever increasing demands on limited resources and consequently the process of budgetary control has become increasingly critical. The Council operates a cash limited approach to directorate budget management and does not have any capacity to absorb overspends in service budgets.

Budget management ensures that once the full Council has approved the budget, the resources allocated are used for their intended purposes and are properly controlled and accounted for. Budget management is a continuous process, enabling the Council to review and adjust its budget allocations during the financial year. It also provides the mechanism that enables clear responsibilities to be assigned for budgetary control.

Why this is important

For the above reasons it is important that budget monitoring procedures are robust, enable early warnings of overspends and that there is clear accountability. The Council's approach to budget monitoring has therefore been built around these principles and is outlined in these financial procedure rules.

Authority to Spend

FR39 Officers and Members have the authority to incur expenditure which is matched by budgets that are either:-

- a) Budgets or supplementary budgets approved by the Full Council.
- b) A carry forward budget.
- c) An in year budget transfer (See **FR50-56**).

Key Responsibilities

FR40 Executive Directors

Executive Directors are responsible for ensuring that proper financial and budgetary control procedures are being carried out within the services.

FR41 The Section 151 Officer and Deputy Section 151 Officer

are responsible for:

- Determining the budget monitoring framework and reporting cycle.
- Providing appropriate financial information to enable budgets to be monitored effectively.
- Monitoring and reporting to the ~~Corporate~~ **Strategic** Management Board and Executive Members, the overall Council position on a regular basis.
- Setting out the budget monitoring timetable
- Reporting significant budget monitoring issues to the Assistant Chief Executive.

FR42 ~~Heads of service~~ **Assistant Directors**

are responsible for:

- Ensuring their budget holders are aware of their budget management responsibilities.
- Identifying a reserve list of officers to manage budgets in the absence of themselves and their current primary budget holders.
- Overall responsibility for the management of both the budgets and the budget holders within their Service blocks.
- Managing and reporting the budget issues identified by their budget holders.

FR43 **Budget holders**

are responsible for:

- Monitoring spending against budgets.
- Responding to budget reports and taking the necessary action to tackle projected budget variances.
- Reporting budget outturn figures monthly to their senior manager.
- Ensuring transactions are accurately coded within the ledger.
- Ensuring budgets are profiled accurately on ~~Powersolve~~ **SAP**.

See link to budget holder responsibilities document

http://wired.wla.int/Images/Budget%20Holder%20Information%20Pack%20Dec%202011_tcm33-56275.doc

The Budget Monitoring Cycle

Why this is important

By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it.

FR44 At the start of each financial year the Section 151 Officer will set out the budget monitoring process, including timescales and responsibilities of all officers involved in the process. ~~Heads of service~~ **Assistant Directors** are

responsible for ensuring that they meet the timescales so that prompt, accurate information can be provided to members.

FR45 Under the budget monitoring framework the following steps will take place in accordance with the budget monitoring timetable:

- a) Budget holders will review the reports and make enquiries as required so that they can understand the budget variances showing on reports.
- b) Budget holders will produce an estimate of anticipated spending for the year and calculate the projected year-end variance and record this on a ~~Budget Management Return form~~ SAP by the end of the 2nd week of the cycle **or in accordance with the required timetable.**
- c) ~~Heads of service~~ Assistant Directors will, by the 3rd week of the cycle, have reviewed the year-end variances presented by their budget holders within their service blocks and where necessary agree action points for bringing the spend position back in line.
- d) Service accountants will make available a budget monitoring briefing report to directorate senior management teams and executive members in the 4th week of the cycle.
- e) Executive directors will ensure the budget monitoring briefing report is discussed at their directorate management team/executive member briefings and that any required management actions to contain spend are recorded and monitored.

FR46 ~~Heads of service~~ Assistant Directors are responsible for budget management of all capital schemes (including major and other projects) within their service area.

FR47 All capital schemes must have a designated responsible budget manager who may or may not be an ~~Heads of service~~ Assistant Director.

FR48 Before any scheme is included in any programme, budget management responsibility must be assigned.

FR49 Budget managers (who may be Executive Directors, ~~heads of service~~ Assistant Directors, other designated officers or project sponsors) will follow guidance issued by the Assistant Chief Executive's Directorate on budget monitoring processes, which will involve the regular review of capital scheme monitoring information and the forecast of year-end variances on schemes. See link to budget holder responsibilities document for capital and revenue procedures.

http://v23webint/ACE/finance/Accountancy_Services/Useful_Information.aspx

Budget Transfers (Virements)

Why this is important

The facility to transfer budgets is intended to enable the Executive Board, Executive Directors, ~~heads-of-service~~ Assistant Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources. The transfer of budget provision either within or between budget headings assists in managing budgets effectively within a cash limit. Transfers should be undertaken to maintain the accuracy of budget monitoring. ~~All transfers must be requested in writing or by email via the relevant Directorate Finance Manager.~~

The following financial procedure rules set out the authorisations required for budget transfers to take place.

- FR50** Executive Directors/~~Assistant Directors~~ ~~heads-of-service~~ are responsible for agreeing in-year budget transfers within delegated limits, in consultation with the Section 151 Officer where required. ~~No virement relating to a specific financial year should be made after the 31 March in that year.~~
- FR51** ~~Budget Holders may approve transfers of any value within their own budget areas as long as the transfer does not represent a change in policy or commit the Council to increased costs.~~ Executive Directors and ~~heads-of-service~~ Assistant Directors may approve transfers between budget holders within their service blocks up to ~~£200,000~~ £250,000 following notification to the Section 151 Officer, as long as the transfer does not represent a change in policy or commit the Council to increased costs. ~~Heads-of-service must notify their finance manager of all such transfers.~~
- FR52** Executive Directors in consultation with their respective Executive Member and budget holder can approve transfers between £200,000 and ~~£500,000~~ £350,000 following notification to the Section 151 Officer, as long as the transfer does not represent a change in policy or commit the Council to increased costs. ~~Heads-of-service must notify their finance manager of all such transfers.~~—Transfers that are as a result of Directorate(s) restructure between £200,000 and £350,000 can be approved by relevant Executive Directors where the restructures have previously been agreed through the appropriate channels without the approval of the Executive Member. People and Improvement Directorate must be consulted for advice and guidance before a restructure can be undertaken
- FR53** The relevant Executive Director and the Section 151 Officer must submit a joint report to the Executive Board for approval to transfer amounts above ~~£200,000~~ £250,000 (unless as a result of Directorate(s) restructures) or which involves a change in Council policy, or which creates additional financial commitment for future years
- FR54** If a transfer proposal of any value is likely to affect services of another Directorate ~~head-of-service~~ then it will only be implemented with the agreement of the affected Directorate. ~~heads-of-service.~~ The limits in FR48 - 50 will apply and in the case of amounts between £200,000 and £350,000 the approval of the relevant affected Executive Member. ~~heads-of-service.~~

FR55 □ Approval for a budget transfer **between Directorates** can only be given prior to expenditure being committed and no retrospective approvals can be given.

FR56 The full Council is responsible for agreeing procedures for transfers of expenditure between budget headings.

Income and Expenditure Transfers (journals)

Why this is important

The facility to transfer expenditure between subjective and objective headings is intended to enable the Executive Board, Executive Directors, Assistant Directors and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources. The Council reports on expenditure for a number of reasons including the completion of statutory Government returns and the annual Statement of Accounts. Income and expenditure will be transferred for a variety of reasons that will include:

- Correcting coding errors
- Posting internal transfers between Directorates and Services
- Clearing Suspense Accounts
- Allocating overheads to the relevant services

The following financial procedure rules set out the authorisations required for budget transfers to take place.

FR57 Budget Holders may approve income and expenditure transfers of any value within their own areas as long as the transfer is to ensure that items of income and expenditure are recorded in the correct category.

FR58 Budget Holders may approve income and expenditure transfers of any value from other budget holder areas with prior approval from the affected budget holder. This will include Departmental Transfers where the requesting service provides approval in advance for a service to be internally procured. See link to the Departmental Transfer procedure note

FR59 Finance Staff may approve income and expenditure transfers from cross Directorate codes for the purposes of allocating overhead and service level agreement charges. Approval for these transfers will be provided by the relevant affected Directorate Finance Manager within the Finance approval limits in the table below

FR60 Finance Staff may approve income and expenditure transfers from cross Directorate codes for the purposes of completing the annual closure of accounts process. These transfers will be documented on the relevant closure of accounts files for inspection by External Audit

FR61 Finance Assistants have approval to enter transfers into SAP in line with the journal procedures. Approval limits for posting transfers by Finance Staff are listed below:

Finance Advisors up to £10k

Senior Accountants between £10k and up to £100k

Finance Manager between £100k and up to £250k
Chief Accountant over £250k

FINANCIAL REPORTING

Year End Balances

Why this is important

This regulation deals with the arrangements for the transfer of resources between accounting years, i.e. carry-forward. It is intended to provide ~~heads-of-service~~ Assistant Directors with the incentive to provide accurate year-end projections well before the end of the financial year and to ensure that all unplanned under-spends are directed to the benefit of the Council's priorities. The treatment of year-end balances is set out below but is subject to the overriding needs of the Council, as advised by the Section 151 Officer.

Where a Directorate:

FR62 Over-spends its annual approved budget the amount of the over-spend will be carried forward into the following financial year, to provide a first call on that year's budget.

FR63 Under-spends its annual approved budget, subject to the under-spend having been forecast within the monitoring report to the end of December (period 9), Executive Directors for each directorate will be able to carry forward under-spends of 5% of controllable budgets and 50% of under-spends above 5%.

FR64 A report must be submitted to the Executive Board/full Council by the Section 151 Officer at the same time as the Annual Statement of Accounts is considered, detailing the extent of over/under-spending, together with information on service implications identified by the appropriate ~~heads-of-service~~ Assistant Directors.

FR65 The Executive Board will determine the use of any under spends not declared in December's monitoring report, and in doing so will take account of the reason for such under-spends together with the overriding needs of the Council's financial position as advised by the Section 151 Officer.

FR66 The full Council **through the Executive Board** is responsible for agreeing procedures for carrying forward under and overspendings on budget headings.

Accounting Policies, Records and Returns

Why this is important

The Council has a statutory duty to apply proper accounting policies to the preparation of its 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: ~~A Statement of Recommended Practice~~* (CIPFA/LASAAC), for each financial year ending 31 March.

The Section 151 Officer is responsible for:

- FR67** Selecting accounting policies and ensuring that they are applied consistently.
- FR68** Determining the accounting procedures and records for the Council.
- FR69** Determining the Council's accounting policies and ensuring that they are applied consistently across the Council.
- FR70** Selecting suitable accounting policies and set these out in the statement of accounts, which are prepared at 31 March each year, and covers such items as:
 - a) The basis on which debtors and creditors at year-end are included in the accounts.
 - b) Details on substantial provisions and reserves.
 - c) Fixed assets.
 - d) Depreciation.
 - e) Capital charges.
 - f) Work in progress.
 - g) Stocks and stores.
 - h) Deferred charges.
 - i) Accounting for value added tax.
 - j) Government grants.
 - k) Leasing.
 - l) Pensions.

Year-end closedown

Why this is important

The Council has a statutory duty to close the accounts within a set timescale and prepare accurate and meaningful year-end statements. Closing the accounts on time is important in the future financial planning of the Council as it allows the previous years' end of year balances to be identified and taken into account in updating the Medium Term Financial Plan (MTFP) of the Council.

- FR71** The Section 151 Officer will issue a year-end close down timetable which will identify responsibilities in the process.
- FR72** Executive Directors and ~~heads of service~~ Assistant Directors will ensure compliance to the timetable by the staff under their control.

The Annual Statement of Accounts

- FR73** The Section 151 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: A Statement of Recommended Practice* (CIPFA/LASAAC). The Audit and Corporate Governance Committee, under delegated powers, is responsible for approving the annual statement of accounts.

External Funding e.g. Subsidies, Grants and Agency Reimbursements

Why this is important

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 Council. 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 Council 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 Council's overall plan.

FR74 Each Executive Director/~~head of service Assistant Director, in conjunction with the External Funding Unit~~, is responsible for the identification and maximisation of all Subsidies, Grants and Agency Reimbursements. All funding bids submitted on behalf of the Council must be approved in accordance with the Certifying Officer levels. The Assistant Chief Executive/Section 151 Officer ~~and the External Funding Unit~~ must be notified in writing on all bids of:

- Authorisation details (Certifying Officer/Date)
- Bid Details (Funder/Amount/Match Funding/Potential Revenue Implications)
- Claim Details (Amounts/Dates)
- Outcomes of Bid.

All bids must comply with any External Funding Policies, which may be in force. ~~Once approved, all Assistant Directors must ensure that all relevant grant documentation, terms & conditions, criteria, timescales and procedures for monitoring and sign off is kept on the central grants database~~ [http://wired.wla.int/Images/Grant%20Procedure%20Document%20\(2011-12\)%20\(29%20Nov%202011\)_tcm33-55999.doc](http://wired.wla.int/Images/Grant%20Procedure%20Document%20(2011-12)%20(29%20Nov%202011)_tcm33-55999.doc) (Link)

FR75 The relevant executive director is responsible for submitting the necessary claims within the relevant time limits.

FR76 The relevant executive director, in conjunction with the Section 151 Officer, is responsible for taking all reasonable steps to ensure the prompt settlement of claims.

TREASURY MANAGEMENT, BANKING, BORROWING AND INVESTMENT

Why this is important

Many millions of pounds pass through the Council's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the Council'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 Council's funds.

The CIPFA ~~Treasury Management Code (2001)~~ Code of Practice on Treasury Management (2009)

FR70 ~~The Council has adopted the following 4 clauses as required by the CIPFA Treasury Management Code (2001): Code of Practice on Treasury Management~~

- ~~i) Adoption of the full Code.~~
- ~~ii) Create and maintain a Treasury Management Policy Statement and Treasury Management Practices. These are formal documents incorporating all rules that the Council operates in its treasury operations.~~
- ~~iii) Receive specified annual reports.~~
- ~~iv) Delegate responsibility for the treasury management function to specified parts of the Council and its Officers.~~

FR77 The Council has formally adopted the CIPFA ~~Treasury Management Code (2001):~~ Code of Practice on Treasury Management (2009) and the following 4 clauses:

- i). This Council will create and maintain, as the cornerstones for effective treasury management:
 - A Treasury Management Policy Statement (TMPS) stating the policies, objectives and approach to risk management of its treasury management activities
 - Suitable treasury management practices (TMPs), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
 - The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the Code's key principles.
- ii). This Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- iii). This Council delegates responsibility for the regular monitoring of its treasury management policies and practices to the Audit and Corporate Governance Committee, and for the execution and administration of treasury management decisions to the Section 151 Officer, who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.
- iv). This Council nominates the Audit and Corporate Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

Prudential Code for Capital Finance

- FR78** Any ~~Capital~~ prudential borrowing decisions need to be agreed by the Executive Board in conjunction with the Section 151 Officer and must be made in full compliance with the 'Prudential Code'.
- FR79** CIPFA's "Treasury Management in the Public Service and Cross Sectoral Guidance Notes ~~(2002)~~" (2009) must be adopted as good practice for treasury management purposes.
- FR80** A Treasury Management Policy, setting out the strategy and the procedures to be followed, must be approved by the full Council annually, and thereafter its implementation and monitoring will be delegated to the Section 151 Officer. Progress reports will be presented ~~as determined by the approved Policy~~ to the Audit and Corporate Governance Committee on a quarterly basis.
- FR81** Each year as part of the budget setting process the Council is required to approve a Treasury Management Strategy, detailing the Council's borrowing requirements, planned investment activity and how the Council's cash-flow will be managed. The Section 151 Officer must produce an Annual Investment Strategy for the following financial year, which must be approved by the full Council. ~~The Council's Minimum Revenue Provision Policy will be reported annually in the Treasury Management Strategy for the full council to agree.~~
- FR82** ~~Weekly and~~ Monthly treasury management activity reports will be reported to the Section 151 Officer. Quarterly treasury management activity reports will be reported to the Executive Board ~~and the Audit and Corporate Governance Committee.~~
- FR83** All money in the hands of the Council must be aggregated for the purposes of Treasury Management and must be under the control of the Section 151 Officer for the purposes of section 151 of the Local Government Act 1972.
- FR84** All decisions on borrowing, investment or financing must be made by the Section 151 Officer or through him/her ~~delegated~~ to appropriate staff, who will be required to act in accordance with CIPFA's "Treasury Management in the Public Service and Cross Sectoral Guidance Notes ~~(2002)~~" (2009)".
- FR85** Borrowing and Investments must be made in the name of the Council and only undertaken by the Section 151 Officer or his/her nominee.
- FR86** ~~The section 151 officer must prepare and approve a Treasury Management Practices Statement (TMPS). This sets out all the procedures for the operation of Treasury Management. This must be presented to the Audit and Corporate Governance Committee annually.~~
- FR87** ~~A yearly treasury management outturn report must be reported to the full Council before 30 September each year and a treasury management mid year review report must be reported to the full Council.~~

FINANCIAL MANAGEMENT

Management of Financial Information

Why this is important

Directorates have many systems and procedures relating to the control of the Council's assets and 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 as these are essential to an effective framework of accountability and control. The provision of sound and reliable financial information is also essential to enable accurate and timely monitoring and reporting.

FR88 The Section 151 Officer has a professional responsibility for the operation of the Council's accounting systems, the form of accounts and the supporting financial records and to ensure that the Council's financial systems and procedures are sound as these are essential in ensuring an effective framework of accountability and control.

FR89 Before any change proposed to any financial system or process, executive director/assistant director shall ensure full consultation with Internal Audit and accountancy staff within the **Assistant** Chief Executive's Directorate, in sufficient time for proper consideration of system controls.

FR90 Executive Directors and ~~heads-of-service~~ **Assistant Directors** are responsible for the proper operation of financial processes in their own directorate and services.

FR91 Executive Directors and ~~heads-of-service~~ **Assistant Directors** should ensure that their staff receive relevant financial training that has been approved by the Section 151 Officer.

Managing and Securing Council assets

Security

Why this is important

The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth many 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.

FR92 Executive Directors/~~heads-of-service~~ **Assistant Directors** must ensure that records and assets are properly maintained and securely held. They must 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.

Staffing

Why this is important

In order to provide the highest level of service, it is crucial that the Council recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level. The following financial procedure rules should be read in conjunction with the more detailed guidance included in the various People and ~~Organisational~~ Improvement (HR advisory services) publications (link).

FR93 The Chief Executive is responsible for providing overall management to staff. She/he is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.

FR94 Executive Directors/~~heads of service~~ **Assistant Directors** are responsible for controlling total staff numbers by:

□□□□

- a) Advising the Executive Board, via the budget process, on the budget necessary in any given year to cover estimated staffing levels.
- b) Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.
- c) The proper use of appointment procedures.

Taxation

FR95 The Section 151 Officer is responsible for advising Executive Directors/~~heads of service~~ **Assistant Directors**, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council.

FR96 The Section 151 Officer is responsible for maintaining the Council's tax systems and records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate

Systems and Procedures

Introduction

Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council has a statutory duty to achieve **best value for money** in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements. Due to the diversity and complexity of the Council it is necessary for Directorates to have many systems and procedures relating to the control of the Council's assets including, purchasing, income and expenditure, payroll and management information.

Why this is important

In view of the above it is essential that, wherever possible, there is a consistency of approach in, for example, the procedures for paying employees, ~~creditor payments~~ **accounts payable** etc. Sound systems and procedures are therefore essential to an

effective framework of accountability and control. These procedure rules should be read in conjunction with the [Council's procurement strategy](#) and related documentation.

Banking arrangements and cheques

FR97 The Section 151 Officer is responsible for making all arrangements with the Council's bankers to operate such accounts, as he/she considers necessary.

FR98 Cheques, or other written instructions to the Council's bankers, in respect of accounts which hold and control official Council funds, must be signed by officers authorised to do so by the Section 151 Officer. ~~in conjunction with the Chief Internal Auditor.~~

FR99 A facsimile signature of the Section 151 Officer may be used, under such arrangements as he/she may approve, on cheques and other written instructions to the Council's Bankers to pay amounts not in excess of ~~£5,000~~ **£25000**. Cheques above this amount must be counter-signed by one the officers so authorised by the Section 151 Officer. ~~and Head of Audit Services.~~

FR100 All cheques must be ordered and controlled by the Section 151 Officer who must make proper arrangements for their safe custody.

FR101 Only the Section 151 Officer, the appropriate Executive Director/~~head of service~~ **Assistant Director** and those officers so authorised can sign cheques or other written instructions to the Council's bankers, in respect of accounts which hold and control funds where the Council has a duty of trusteeship or care.

~~FR102 Internal Account Transfers, CHAPS and direct credit payment (BACS) requests made to the Council's bankers, in respect of accounts which hold and control official Council funds, must be digitally signed by officers authorised to do so by the S151 Officer.~~

~~FR103 All direct credit payment (BACS) requests above £100,000 must be supported by the relevant authorised invoice(s) for checking by the officer signing the payment file.~~

Imprest Accounts

FR104 The Section 151 Officer may make advances, in cash, to those officers as may need them, on account of expenses to be incurred by them on behalf of the Council. This is facilitated through the provision of a cash or bank imprest account.

FR105 The account is operated in the name of a nominated officer as specified in the certifying officer lists.

FR106 Any penalties imposed on the Council as a result of the improper treatment for tax and NIC etc. purposes of expenditure processed through an imprest account will fall on the relevant budget.

FR107 Loans or overdraft arrangements should not be entered into against a bank imprest.

FR108 Failure to operate the Imprest account in line with the required procedures could result in the account being closed. Further details of the operation of imprest accounts are contained in the 'Operational Guidance Notes' [Link](http://wired.wla.int/Images/Bank%20Imprest%20Accounts_tcm33-55905.doc)http://wired.wla.int/Images/Bank%20Imprest%20Accounts_tcm33-55905.doc

FR109 Use of a cash imprest shall be restricted to those items of a "petty" nature, being too small to warrant treatment through the normal ordering/payment procedures and where there are no other procurement arrangements in place. In any event, the value of any item purchased must never exceed £100, except as agreed with the relevant executive director/assistant director or nominee.

ORDERING AND PAYMENT OF GOODS AND SERVICES

Ordering of Goods and Services

Why this is important

A proper framework is important to help ensure that goods and services are purchased and paid for in the most efficient and cost effective manner. ~~in accordance with the Council's approved policy.~~—The Council's Financial Information System (SAP) should be used to raise all orders. Officers should consider the most appropriate order type for the item or service they are looking to purchase (e.g. catalogue item, limit order etc). SAP controls ensure that only authorised officers can raise and approve orders. Specific guidance on the use of SAP can be found in the relevant TUGs held on the Council's Intranet.

FR110 Executive Directors/ ~~Assistant Directors~~ ~~Heads of Service~~ must approve and maintain a proper record of all orders raised where the Council's Financial Information System (SAP) cannot be used within their directorate, and are responsible for ensuring the record is kept up to date and available for inspection at all times.

FR111 Where the estimated costs of any works, goods or services ordered on behalf of the Council exceeds £5,000 then full reference must be made to the [Contract Procedure Rules \(Link\)](#) and, where applicable, in full compliance with the [Procurement Guide \(Link\)](#).

FR112 Where the estimated costs of any works, goods or services ordered on behalf of the Council is less than £5,000 then quotations shall be invited and the lowest price or most economically advantageous price accepted, as outlined below:-

£1,000 or less: quotations advisable.

£1,001 up to £5,000: where possible, three written quotations.

FR113 Authorising officers are responsible for ensuring that, for all orders placed, they have considered achieving value for money. ~~and include a comparison with costs of internal provision where available.~~

FR101 ~~In these Procedure Rules "E-procurement" means the purchase of goods via electronic means. E-procurement shall be strictly controlled and the~~

~~necessary processes and controls must be in place to maintain the security and integrity of data.~~

~~**FR102** The Council has a joint arrangement with a number of the Cheshire District Councils for the e-procurement of supplies/provisions. The name of the e-procurement system is 'IDeA'. Any purchases for items covered by the arrangement must be made via the 'IDeA' system subject to the operational procedures. Where an item being sought does not appear in the standard catalogue, before procuring from an alternative supplier, contact must be made via the 'IDeA' system to determine if the supplies/provisions can be obtained via this agreement.~~

~~For fuller details re e-procurement please refer to the [Council's Procurement Guide \(Link\)](#).~~

FR114 The Council has in place a number of arrangements, contracts and frameworks for the purchase of goods and services e.g. stationery catalogue' purchase cards. Officers must ensure the most cost efficient method is used. Further guidance should be sought from the Corporate Commissioning and Procurement Team.

Payment of Employees

Why this is important

Staff costs are the largest item of expenditure for most council services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Council 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 full Council.

FR115 The Section 151 Officer is responsible for the:

- a) payment of salaries, wages and allowances;
- b) production of all payrolls; and
- c) maintenance and control of the records relating thereto.

FR116 All payments to employees and members ~~should~~ **must** be made via the Council's payroll system. **Under no circumstances should payments of this nature be made through petty cash/imprest accounts.**

FR117 Claims shall be processed without delay. The Section 151 Officer must arrange for payment to be made in the manner she/he considers most appropriate.

~~**FR118** All claims that feature on the 'e-forms' system must be completed on-line in accordance with the prescribed e-forms procedures ([Link](#)). All claims must be completed through the Council's Financial Information System (SAP).~~

PAYING FOR GOODS AND SERVICES

FR119 The Section 151 Officer is responsible for determining the arrangements for payments to creditors e.g. BACS, CHAPS etc. including the arrangements for authorising those payments.

FR120 Each Executive Director/Assistant Director must ensure that all accounts arising from within their directorate are properly examined, verified and certified before submission for payment.

FR121 The Section 151 Officer must be consulted before any 'factoring' arrangements are entered into to ensure that appropriate controls are in place.

~~**FR110** Use of a cash imprest shall be restricted to those items of a "petty" nature, being too small to warrant treatment through the normal ordering/payment procedures and where there are no other procurement arrangements in place. In any event, the value of any item purchased must never exceed £100, except as agreed with the relevant executive director/head of service or nominee.~~

Certifying Officers

FR122 Executive Directors and ~~Assistant Directors~~ ~~heads of service~~ must determine via SAP and the authorised signatory list draw up a list, with the agreement of the ~~Head of Audit Services~~ of those officers authorised to certify accounts, invoices, orders and expenditure vouchers on their behalf (Delegated Authority to Certify Financial and Personnel Documents) within the following limits:

| | | |
|---|------|----------|
| Chief Executive / Chief Finance Officer | over | £350,000 |
| Executive Directors/Assistant Chief Executive | | £350,000 |
| Assistant Directors | | £200,000 |
| Budget Holder / Budget Manager | | £50,000 |
| Requisitioner | | £500 |

~~Accounts, invoices, orders and expenditure vouchers between £350,000 and £500,000 in value must be certified by any two executive directors.~~ This rule excludes transactions in respect of treasury management; BACs; precepts; and ~~regular~~ appropriately authorised contractual payments e.g. staged capital payments (see FR 29). Payments related to payroll e.g. Cheshire pension fund, ~~redundancy payments~~ and Her Majesty's Revenues and Customs (HMRC) are also excluded.

FR123 Authorised certifying officers are responsible for all financial arrangements delegated under FR111 above and must maintain a sufficient record of all transactions to account for all such holdings in line with the document retention policy. [Document Retention Policy \(Link\)](#)

FR124 Authorised certifying officers have a responsibility to assist Internal Audit when reviewing any internal or financial control system for which they are responsible.

All Officers and Members

FR125 Any Officer or Member must immediately report to the ~~Head of Audit Services~~ **Chief Internal Auditor**, either directly or through the appropriate manager, any circumstances, which suggest the possibility of financial irregularity or loss.

PARTNERSHIPS, SERVICE DELIVERY AGREEMENTS AND NON-COUNCIL FUNDS

Partnerships

Introduction

The Council 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.

Why this is important

Partnerships are playing an increasingly key role in delivering community strategies and in helping to promote and improve the well-being of the area. The Council is working in partnership with others – public agencies; **health**; private companies; community groups; and voluntary organisations. The Council's ~~still delivers most of the services, but its~~ distinctive leadership role is to bring together the contributions of the various stakeholders. The Council therefore needs to deliver a shared vision of services based on user wishes.

FR126 The Executive Board is responsible for approving arrangements for partnerships, including frameworks for partnerships, above £500,000 or those which have a significant impact on the delivery of the Council's long term ambitions. The Executive Board is responsible for forming partnerships with other local public, private, third sector organisations to address local needs.

FR127 The Executive Board can delegate functions – including those relating to partnerships to officers. These are set out in the scheme of delegation that forms part of the Council's constitution and are also included in the [Code of Practice for Partnerships \(Link\)](#). Where functions are delegated, the Executive Board remains accountable for them to the full Council.

FR128 The Assistant Chief Executive must consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He/she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

FR129 The Section 151 Officer in consultation with the Solicitor to the Council and Head of Corporate Governance is responsible for approving the finance and governance issues before the Council enters into any partnership agreements.

FR130 Executive Directors/~~heads of service~~ **Assistant Directors** are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

Non Council Funds

FR131 The responsibilities of an executive director or assistant director may extend to custody of non-council funds or property, which belongs to persons other than the Council.

FR132 The Executive Director or Assistant Director, in consultation with the ~~Head of Audit Services~~, Chief Internal Auditor must establish such systems necessary for proper control to be maintained.

FR133 The Scheme of Delegation within each directorate must identify these responsibilities to officers so authorised.

RISK MANAGEMENT (INCLUDING INSURANCE), INTERNAL CONTROL AND PREVENTING FRAUD **BRIBERY** AND CORRUPTION

Introduction

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives. It has statutory obligations and therefore requires internal controls to identify, meet and monitor compliance with these obligations. As a result it is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Council. This should include the proactive participation of all those associated with planning and delivering services.

Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.

Risk management

Why this is important

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 the Council already has in place to manage identified risks and then recommending the action the Council needs to take to control these risks effectively.

FR134 The Executive Board is responsible for approving the Council's risk management policy statement and strategy and for reviewing the effectiveness of risk management. ~~The Audit and Corporate Governance Committee is responsible for monitoring the effectiveness of the authority's risk management arrangements.~~

FR135 ~~The Monitoring Officer~~ The **Assistant Director Partnerships and Performance** is responsible for preparing the Council's risk management policy statement and for promoting it throughout the Council.

FR136 Executive Directors are responsible for developing, maintaining, reviewing and advising members, in particular the Audit and Corporate Governance Committee on the Strategic Risk Register.

FR137 ~~Heads of service~~ **Assistant Directors** are responsible for developing, maintaining, reviewing and advising on their respective Service Risk Registers and for advising the Executive Directors of any changes to those risks.

Insurance

FR138 The Section 151 Officer must arrange all insurance cover and maintain a record of all policy details for notified financial risks and review this on an annual basis.

FR139 As soon as any officer becomes aware of any loss, liability or damage-causing event that may give rise to a claim of any kind against the Council they must notify the Insurance Manager who will take the appropriate action to safeguard the Council's position.

FR140 No officer or member of the Council shall acknowledge liability in acceptance of claims unless with the specific approval of the Assistant Chief Executive/Section 151 Officer and the Council's Insurers.

FR141 It is the responsibility of the appropriate executive director/assistant director to ensure that all third parties using the Councils' buildings are appropriately insured.

FR142 The Council will indemnify and will not make any claim against any of its employees in respect of any expenses, liability, loss, claim or proceedings whatsoever, arising from their unintentional act, error or omission in the course of their employment (whether they were acting for the Council itself or for another person or body with Council's consent). This procedure rule excludes Consultants.

Internal Control

Why this is important

The Council 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. The system of internal control is therefore 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.**

the policies, procedures and operations in place to:

- establish, and monitor the achievement of, the Council's objectives;
- identify, assess and manage the risks to achieving the Council's objectives;
- ensure the economical, effective and efficient use of resources;
- ensure compliance with established policies (including behavioural and ethical expectations), procedures, laws and regulations;
- safeguard the Council's assets and interests from losses of all kinds, including those arising from fraud, irregularity corruption or bribery; and
- ensure the integrity and reliability of information, accounts and data, including internal and external reporting and accountability processes.

FR143 The Section 151 Officer, assisted by the ~~Head of Audit Services~~ Chief internal Auditor, 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 in accordance with the statutory and other authorities that govern their use.

FR144 Executive Directors and ~~heads-of-service~~ Assistant Directors are responsible for establishing, on an annual basis 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

Internal Audit

Why this is important

~~Internal Audit is a statutory function implied under Section 151 of the Local Government Act 1972 and the Accounts and Audit Regulations (2003 as amended 2006). Accordingly it is an independent and objective appraisal function established by the Council for reviewing the system of internal control. 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 1996 (revised 2011 part 2 section 6) require that: 'A relevant body must undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control.'~~

In accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006 ('the Code'), the role of the Head of Internal Audit (HIA) is required to provide an annual opinion, based upon (and limited to) the work performed, on the overall adequacy and effectiveness of the organisation's risk management, control and governance processes (i.e. the organisation's system of internal control). Internal audit is an assurance function that provides an independent and objective opinion to the Council on the control environment, by evaluating its effectiveness in achieving the Council's objectives. Internal Audit examines,

evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

FR145 The Section 151 Officer may authorise Internal Auditors, or any other authorised representative to undertake investigations, which have financial implications, in any part of the Council. These officers are authorised to enter Council premises at all reasonable times, have access to all records and documents, including access to computer systems, and be entitled to receive such information and explanations, as they consider necessary.

FR146 The ~~Head of Audit Services~~ Chief internal Auditor, in consultation with the various Directorate Management Teams (DMTs), determines the annual audit plan, which is submitted to the Audit and Corporate Governance Committee for consideration and subsequent approval.

FR147 ~~Heads of service~~ Assistant Directors are responsible for:

- a) Enabling access for the auditors to undertake the work.
- b) Agreeing the audit report and responding within the prescribed timescales.
- c) Ensuring that any audit recommendations are implemented.

FR148 The ~~Head of Audit Services (HOAS)~~ Chief internal Auditor is responsible for submitting quarterly summary audit performance reports to the ~~Senior Strategic~~ Management Board and the Audit and Corporate Governance Committee. Additionally, on an annual basis the ~~HOAS~~ Chief Internal Auditor submits a report to the above which also includes the overall audit opinion on the adequacy of the Council internal control environment to support the Annual Governance Statement.

FR149 The ~~Head of Audit Services~~ Chief internal Auditor is responsible for compiling the Annual Governance Statement on behalf of the Chief Executive and the Leading Member of the Council.

External Audit

Why this is important

External Audit is a statutory requirement under the Local Government Finance Act 1982. The external auditor has rights of access to all documents and information necessary for audit purposes. ~~The Audit Commission's Statement of Responsibilities of Auditors and Audited Bodies sets out the respective responsibilities of the auditor and the Council. The statutory responsibilities and powers are set out in the Audit Commission Act 1998, the Local Government Act 1999 and the Audit Commission's Code of Audit Practice (The Code). The Audit Commission's Code summarises the responsibilities into two objectives:~~

- providing an opinion on the accounts; and
- concluding on the arrangements in place for securing economy, efficiency and effectiveness in use of resources (the value for money conclusion).

~~The basic duties set out in the code of audit practice issued in March 2000 sets out the auditor's objectives to review and report upon:~~

- ~~a) The financial aspects of the Council's corporate governance arrangements.~~
- ~~b) The Council's financial statements.~~
- ~~c) Aspects of the Council's arrangements to manage its performance, including the preparation and publication of specified performance information and compliance in respect of the preparation and publication of the Best Value Performance Plan (BVPP) and Comprehensive Performance Assessment (CPA)/Comprehensive Area Agreements (CAA).~~

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

FR150 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as the Information Commissioner, HM Customs and Excise, OFSTED etc., who have statutory rights of access. Executive Directors and Heads of Service Assistant Directors are responsible for implementing any recommendations from these external inspections.

Preventing fraud bribery and corruption

Why this is important

The Council will not tolerate fraud bribery and corruption in the administration of its responsibilities, whether from inside or outside the Council. The Council'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. It also expects that individuals and organisations (e.g. suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud bribery and corruption.

FR151 The Section 151 Officer and the Head of Audit Services Chief internal Auditor are responsible for developing, maintaining and promoting the anti-fraud bribery and corruption policy across the Council and partner organisations.

FR152 Any officer must immediately report to the Head of Audit Services Chief Internal Auditor, either directly or through line management, any circumstances, which suggest the possibility of financial irregularity or loss. The circumstances will be outlined to the Section 151 Officer and Chief Executive to decide what action is necessary by way of investigation and report.

FR153 No action to involve the police in any investigation of any suspected irregularity shall be taken without prior reference to the Section 151 Officer and Chief Executive. This excludes those circumstances such as unauthorised entry, burglary and theft where immediate police involvement is essential to comply with insurance requirements.

FR154 All Officers and Members are responsible for ensuring that they comply with the Council's anti fraud bribery and corruption statement and policy, and report any instances of suspected fraud bribery and corruption in line with the Council's anti fraud bribery and corruption response plan. complete the anti-

~~fraud and corruption on-line self-assessment i.e. 'Focus on Fraud and Corruption' (Link).~~

RECEIPT OF INCOME FOR ALL SERVICES PROVIDED BY THE COUNCIL

Why this is important

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 **promptly and** properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering debts.

General

FR155 Any proposal to introduce a new source of charging or to discontinue any existing source must, before implementation, be submitted to the Executive Board if it meets the key decision criteria.

FR156 Each assistant director must furnish the Section 151 Officer, not later than that specified in the annual closure of accounts timetable, with details of any income due before the end of the previous financial year which has not previously been notified.

FR157 Any account, statement or other notification requiring moneys to be paid to the Council must clearly specify that payment is to be made to "Warrington Borough Council".

Write-off of irrecoverable debt

FR158 The Section 151 Officer is responsible for:

- a) Determining the debt recovery policy.
- b) Setting the targets for the recovery of debt in consultation with executive directors.
- c) **Reporting the level of debt and the amount of debt written-off, to the Audit and Corporate Governance Committee on a regular basis.**
- d) Reporting the level of debt and the amount of debt written-off to full Council.
- e) **Ensuring the appropriate accounting adjustments are made following write off action.**

FR159 ~~Heads of service~~ Assistant Directors are responsible for pursuing all debts in their respective service areas in consultation with the ~~Head of Revenues and Benefits~~ **Head of Benefits & Exchequer Services** who will advise on the best course of action.

FR160 All write-offs and related court costs involving the recovery of debt will be charged against the relevant service budget.

FR161 Only debts above £30 should be pursued through the court unless there are exceptional reasons (this minimum level is subject to annual review). All exceptions will be requested in writing to the ~~Head of Revenues and Benefits~~ **Head of Benefits & Exchequer Services**.

FR162 A budget provision for bad debts must be agreed with the Section 151 Officer for each service area responsible for raising invoices/collection of debt. **This should be calculated on the forecast level of debt that will be irrecoverable at the end of the year.**

FR163 Executive Board approval must be obtained before income in excess of £250,000 can be written-off as irrecoverable. The Section 151 Officer or nominee has the power to write-off income where the individual amount or the total of the schedule does not exceed £250,000. **The Head of Benefits & Exchequer Services or nominee has the power to write off nominal amounts below £10, which will be included in the summary report.**

FR164 **The Section 151 Officer must approve all debts to be written off in consultation with the relevant Assistant Director, and keep a record of all sums written off up to the approved limit and to adhere to the Accounts and Audit Regulations 1996.**

Full details regarding the procedure for writing-off irrecoverable debt are contained in the ~~Debt Recovery Policy~~ procedural note for write offs. ([Link](#)).

Collection and Control of Money

FR165 The Section 151 Officer is responsible for the collection and control of all money due to the Council. The Section 151 Officer shall supervise all matters relating to the collection arrangements and shall approve all systems, procedures and documentation involved.

FR166 On no account shall cash be used for cashing personal cheques or making advances in exchange for IOUs.

FR167 Where a discrepancy or irregularity occurs in respect of money held on behalf of the Council, it shall be reported to the ~~Head of Audit Services~~ **Chief internal Auditor** immediately.

FR168 All money received shall be acknowledged and recorded in the prescribed manner relative to the type of income.

FR169 All money received on behalf of the Council shall be promptly paid over to the Section 151 Officer or deposited in the Council's name with the Council's Bankers.

FR170 Reports and summaries relating to the recording, control and accounting of cashier activity shall be kept in a manner agreed by the Section 151 Officer. These records shall be available for inspection at all times and retained for a period as determined by the [Document Retention Policy \(Link\)](#).

ASSET CONTROL – LAND AND BUILDINGS

Why this is important

Property in the form of land and buildings is an important asset to the Council and ownership carries financial and legal obligations. Property ownership may also take the form of a lease or other right of occupation or use. It is important that professional advice from the **Estates & Valuation Property & Estate Management** and Legal teams is taken when appropriate.

No decision leading to the disposal of any property asset of any value may be taken by any officer without the relevant officer having first obtained the approval of the relevant Executive Member (Corporate Property) – see FR164 below.

FR171 The Executive Director - Environment & Regeneration is responsible for:

- a) Undertaking acquisitions and disposals (by way of sales or lease) in respect of the Council's land and property.
- b) Undertaking the valuation of all the Council's land and property.
- c) All matters relating to land and buildings in accordance with the scheme of delegation.

FR172 Each Executive Director is responsible for notifying the Executive Director - Environment & Regeneration of:

- a) Alterations to the physical condition of property or land.
- b) Any other matter, which may affect the value of the land or property under their control or the cost of its maintenance or management.

FR173 The Head of Legal Services is responsible for ensuring that there are secure arrangements in place for the safe custody of the title deeds for all Council owned land and property.

FR174 The Executive Director - Environment & Regeneration shall maintain (or make arrangements to maintain) a terrier of all properties which the Council owns or has an interest in, recording against each all details relating thereto.

FR175 The terrier should record:

- The date of acquisition or appropriation
- Council authority
- The holding board
- The purpose for which held
- Location, extent and plan reference
- Purchasing details
- Particulars of nature of interest and rent payable
- Particulars of tenancies granted

FR176 **No decision leading to the disposal of any property asset of any value may be taken by any officer without the relevant officer having first obtained the approval of the relevant Executive Member (Corporate Property).** The Executive Director - Environment & Regeneration may **then** approve the disposal and acquisition of land or property or an interest in land including sales, leases, renewals or licences etc. up to certain values. He/she may approve higher values in consultation with other parties. The details of which are included in the following table:

| Requirement | Financial Limit | Approval Required Relevant Executive Member (Corporate Property) |
|---|--|---|
| a) Freehold or Leasehold Disposals and acquisition over 30 years and at a premium | Up to £100,000 £100,000 - £500,000 Over £500,000 | Executive Director Environment & Regeneration Executive Director – Environment & Regeneration with the Chief Finance Officer Executive Board Approval |

| Requirement | Financial Limit (Annual Rent) | Approval Required Relevant Executive Member (Corporate Property) |
|---|--|---|
| b) Leasehold disposal /acquisition Including initial lettings, rent reviews, lease renewals and assignments | Up to £100,000 £100,000 - £500,000 Over £500,000 | Executive Director Environment & Regeneration Executive Director – Environment & Regeneration with the Chief Finance Officer Executive Board Approval |

FR177 Where land or property is to be disposed of, it must be done in an open and transparent manner. If a decision is taken not to invite tenders, the decision must be taken in consultation with the Chief Finance Officer and the Solicitor to the Council and the reasons for the decision must be formally recorded.

FR178 Where negotiations are entered into, they must be on an official basis in the presence of two Officers with a full record of the meeting maintained. The Chief Estates & Valuation Officer has the authority to allow negotiations to take place in the presence of only one officer where he can demonstrate that for practical reasons the occasion does not warrant two officers being present. **Authorisation should be evidenced and a full documented record of the meeting must be maintained.**

CONTRACT PROCEDURE RULES

January 2012 Proposed Amendments

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All costs stated in these contract procedure rules are exclusive of VAT, staff costs and fees.

Terms included in the definitions appendix are *italicised* within this document.

FURTHER ADVICE CAN BE OBTAINED FROM:

Central Commissioning and Procurement
Legal Services
Audit Services

1.0 INTRODUCTION TO CONTRACT PROCEDURE RULES

What are Contract Procedure Rules?

- 1.1 Contract procedure rules (issued in accordance with section 135 of the 1972 Local Government Act) are intended to promote good purchasing practice and public accountability and deter corruption. Following the rules is the best defence against allegations that a purchase has been made incorrectly or fraudulently.
- 1.2 *Officers* responsible for purchasing or disposal must comply with these contract procedure rules. They lay down minimum requirements and a more thorough procedure may be appropriate for a particular contract. (For example, if Rule CR34 would normally require that quotes be obtained, it might be appropriate in particular circumstances to seek additional quotations in writing or tender submissions. Equally, it may not always be appropriate to make use of an exemption under Rule CR4 even if one might apply or be granted.)
- 1.3 **More detailed guidance for all the areas and procurement in general can be found in the Council's Procurement Strategy & Procurement Guide which is available on the Council's Intranet Site or by clicking on the following link:**
- [Procurement Strategy](#) (press Ctrl and click to open)
- [Procurement Guide](#) (press Ctrl and click to open)
- 1.4 For the purposes of these rules, any communication will include e-mail and fax transmissions and all other electronic methods as well as hard copy.
- Follow the rules if you purchase goods or services or order building work.
 - Take all necessary legal, financial and professional advice.
 - Declare any personal financial interest in a contract. Bribery and Corruption is a criminal offence.
 - Conduct any *Value For Money* review and appraise the purchasing need.
 - Check whether there is an existing *Corporate Contract* you can make use of before undergoing a competitive process.
 - ~~Normally allow at least four weeks for submission of bids (not to be submitted by fax or e-mail)~~
 - Allow sufficient time for the submission of quotations and tenders appropriate to the nature of the requirement. However *EU Procedures* require certain minimum periods. Advice should be sought from *Central Commissioning and Procurement*.
 - Keep bids confidential.
 - Complete and sign a written contract or council order before the supply or works begin.

- Identify a contract *Officer* with responsibility for ensuring the contract delivers as intended.
- Keep records of dealings with suppliers.
- Assess each contract afterwards or during if appropriate to see how well it met the purchasing need and *Value for Money* requirements.

SECTION 1: SCOPE OF CONTRACT PROCEDURE RULES

BASIC PRINCIPLES

Why this is important

The Council purchases over £150m of supplies, works and services from external parties each year. Contract procedure rules for procurement are important to ensure:-

- **Value for Money** – the Council is under a duty to secure value for money in all of its transactions.
- **Compliance with legislation** – a wide variety of UK and European Union statutes and regulations apply to procurement.
- **Avoidance of fraud, bribery and corruption** – procurement must be visible and tightly controlled to limit potential fraud and avoid any suggestion of corruption.
- **Delivery of our vision and ambitions** – procurement contributes directly to the delivery of the Council's vision and long-term ambitions.

CR1 All purchasing and disposal procedures must::

- achieve *Best Value* for public money spent in accordance with the Local Government Act 1999
- be consistent with the highest standards of integrity
- ensure fairness in allocating public contracts
- comply with all legal requirements
- ensure that *Non-commercial Considerations* do not influence any *Contracting Decision*
- support the Council's corporate and directorate aims and policies
- comply with the Council's corporate *Procurement Strategy* and *Procurement Guide*.

OFFICER RESPONSIBILITIES

Why this is important

Officers responsible for purchasing or disposal must comply with these contract procedure rules, *Financial Procedure Rules*, the *Officers Code of Conduct* and with all UK and European Union binding legal requirements. *Officers* must ensure that any *Agents*, *Consultants* and contractual partners acting on their behalf also comply.

CR2 Officers

- *Officers* must:
 - have regard to the guidance in the *Procurement Guide*;
 - check with *Central Commissioning and Procurement* whether a suitable *Corporate Contract* exists before seeking to let another contract; where a suitable *Corporate Contract* exists, this must be used unless there is an auditable reason not to;
 - keep the records required by Rules CR17 to CR18 of these regulations;
 - take all necessary legal, financial and professional advice;
 - ~~When any employee either of the Council or of a service provider may be affected by any transfer arrangement,~~ **When an employee who is currently employed by the Council or where an employee was previously employed by the Council but is subject to an outsourcing arrangement,** *Officers* must ensure that the Transfer of Undertaking (Protection of Employment) (*TUPE*) issues are considered and obtain legal advice before proceeding with inviting *Tenders* or *Quotations*.

CR3 Executive Directors/Assistant Chief Executive

Executive Directors/Assistant Chief Executive must:

- ensure that their staff comply with Rule CR2
- ensure that all contracts of £50,000 and above are entered on to the Central Contracts Register maintained by *Central Commissioning and Procurement*
- ensure that all contracts ~~below £50,000~~ **between £20,000 and £50,000** are entered on to the individual Directorate contract registers
- ensure that any exemptions are recorded and reported in accordance with these rules
- for Contracts under seal refer to rules CR85 to CR87

EXEMPTIONS, WAIVERS, COLLABORATIVE AND E-PROCUREMENT ARRANGEMENTS

CR4 The Council through its **Executive Board** has the power to waive any requirements, with the exception of those relating to EU procurement (~~see CR6 below~~), within these contract procedure rules for specific projects, and any such decision may be a *key decision*.

~~**CR5** In exceptional circumstances, where it can be clearly demonstrated that value for money may not be obtained by going out to tender, Executive Directors may waive any requirements within these contract procedure rules in consultation with the relevant *Portfolio Holder*.~~

- ~~CR6~~ Where a proposed contract is likely to exceed the *EU Threshold*, Executive Directors have no powers to waive these contract procedure rules and the matter has to be determined by the **Executive Board** or Council (see rule CR4). No exemption can be used if the *EU Procedure* applies.
- CR5** Where a proposed contract value is below the relevant EU Threshold for Supplies and Services (currently £156,442) and it can be clearly demonstrated that value for money may not be obtained by going out to tender, Executive Directors may waive any requirements within these contract procedure rules in consultation with the relevant *Portfolio Holder*.(see CR9)
- CR6** Where a proposed contract is likely to exceed the relevant *EU Threshold* but is not subject to the full rigour of the *EU Procedures* (i.e. *Part B exempt service*), a waiver of any requirement may be granted by the Council's Executive Board only. Any such decision may be a *Key Decision*.
- CR7** Where a proposed contract is likely to exceed the relevant EU Threshold and is subject to the full rigour of the *EU Procedures*, a waiver of any requirement may only be granted in accordance with CR8.
- CR8** Where ~~an exemption~~ a waiver is necessary because of an unforeseeable emergency involving immediate risk to persons, property or serious disruption to council services, the Chief Executive and the relevant Executive Director may jointly approve the ~~exemption~~ waiver but they must prepare a report for the next Executive Board to support the action taken.
- CR9** All ~~exemptions~~ waivers and the reasons for them must be recorded in writing using the form in the *Procurement Guide* and must identify the specific Contract Rule or Rules to be waived. Waivers shall be signed by the Executive Director and countersigned by the *Chief Finance Officer*. The forms should be forwarded to *Central Commissioning and Procurement* and reported to the Strategic Procurement Panel at each meeting.

Examples of appropriate circumstances in which waivers may be granted include, but are not in any way limited by, the following:

- the purchase of proprietary or patented goods or materials or services which in the opinion of the appropriate Executive Director are obtainable only from one firm, and where no reasonably satisfactory alternative is available.
- the execution of works or supply of services of a specialised nature which in the opinion of the appropriate Executive Director are carried out by only one or more particular firm(s), and where no reasonably satisfactory alternative is available.
- the purchase of goods or materials, the execution of works or supply of services for which the appropriate Executive Director considers that no genuine competition can be obtained.

- the purchase of a named product required to be compatible with an existing installation as approved by the appropriate Executive Director.

CR10 It is advisable to consult *Central Commissioning and Procurement* regarding ~~an exemption a potential waiver~~ or prior to commencing any procurement process using any framework agreements. The terms and conditions of contract applicable to any framework agreement, including the requirement to undertake competition between providers, must be fully complied with (see also CR32 to CR33 below).

CR11 ~~Executive Directors must ensure that monitoring is undertaken of all exemptions within their service areas.~~

CR12 ~~In order to secure Value for Money, the Council may enter into collaborative procurement arrangements.~~ The *Officer* must seek approval of the relevant Executive Director and the *Head of Legal Services* where ~~the purchase is to be made using collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium~~ an innovative, partnership or shared service arrangement is being considered that will require the authority to enter into any contract for the supply of goods or services.

- All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these contract procedure rules and no exemption is required. However, purchases above the *EU Threshold* must be let under the *EU Procedure*, unless the consortium has satisfied this requirement already by letting their contract in accordance with the *EU Procedures* on behalf of the Council and other consortium members.
- Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organisation, will be deemed to comply with these contract procedure rules and no exemption is required. However, advice must be sought from *Central Commissioning and Procurement*.

CR13 The use of e-procurement technology does not negate the requirement to comply with all elements of these contract procurement rules, particularly those relating to competition and *Value for Money*.

RELEVANT CONTRACTS

CR14 All *Relevant Contracts* must comply with these contract procedure rules. A *Relevant Contract* is any arrangement made by, or on behalf of, the Council for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- the supply or disposal of goods
- the hire, rental or lease of goods or equipment

- the delivery of services, including those related to:
 - the recruitment of staff
 - land and property transactions
 - financial and consultancy services.

CR15 *Relevant Contracts* do not include:

- contracts of employment which make an individual a direct employee of the Council, or
- agreements regarding the acquisition, disposal, or transfer of land (for which the Council's *Financial Procedure Rules* shall apply).

SECTION 2: GENERAL

STEPS PRIOR TO PURCHASE

CR16 The *Officer* must appraise the purchase, in a manner commensurate with its complexity and value, and taking into account any guidance in the *Procurement Guide*, by:

- taking into account the requirements from any relevant *Best Value* review
- appraising the need for the expenditure and its priority
- defining the objectives of the purchase
- assessing the risks associated with the purchase and how to manage them
- considering what procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, frameworks, partnering, packaging and collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium
- consulting users as appropriate about the proposed procurement method, contract standards and performance and user satisfaction monitoring
- identify standard terms and conditions that are to apply to the proposed contract e.g. the Council's own terms and conditions, JCT, ICE, NEC etc
- setting out these above matters in writing if the *Total Value* of the purchase exceeds £50,000.

CR17 and by confirming that:

- there is member or delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation as set out in the *Constitution*
- if the purchase is a *Key Decision* (£500,000 or above), all appropriate steps have been taken.

RECORDS

CR18 Where the *Total Value* is less than £50,000, the following records must be kept:

- invitations to quote and *Quotations*
- a record:
 - of any exemptions and the reasons for them
 - of the reason if the lowest price is not accepted
- written records of communications with the successful contractor or an electronic record if a written record of the transaction would normally not be produced.

CR19 Where the *Total Value* exceeds £50,000 the *Officer* must record:

- the method for obtaining bids (see CR34)
- any *Contracting Decision* and the reasons for it
- any exemption together with the reasons for it
- the *Award Criteria*
- *Tender* documents sent to and received from *Tenderers*
- pre-tender market research
- clarification and post-tender negotiation (to include minutes of meetings)
- the contract documents
- communications with all unsuccessful tenderers and the successful contractor throughout the period of the contract.
- contract evaluation and monitoring

CR20 Records required by this rule must be kept for 6 years (12 years for contracts under seal) **after the end of the contract**. However, written documents which relate to unsuccessful *Tenderers* may be microfilmed or electronically scanned or stored by some other suitable method after 12 months from award of contract, provided there is no dispute about the award.

CR21 All contracts must be kept in fireproof cabinets or safes and must be recorded in Directorate Contract Registers or the Corporate Contract Register held by *Central Commissioning and Procurement* as per rule CR3. Contracts may be archived after their completion date but must be kept with any associated documentation in accordance with the Council's Document Retention Protocol.

ADVERTISING, ~~APPROVED LISTS~~ ASSESSMENT OF TENDERERS AND FRAMEWORK AGREEMENTS

Why this is important

~~Advertising is important to let all potential suppliers and contractors know about the goods or services we are looking to procure. It also enables the Council to meet any legislative requirements. *Approved lists and Framework agreements are other methods which offer advantages and cost saving where similar recurrent items are being purchased.*~~

Advertising is important to let all potential suppliers and contractors know about the goods or services we are looking to procure. It also enables the Council to meet any legislative requirements. The Council will be advertising all its opportunities through *The Chest* electronic tendering portal. Administered by the Central Commissioning and Procurement Team, organisations will be able to submit their quotations or tenders electronically to the Council.

Identifying and Assessing Potential Candidates

CR22 Irrespective of whether a tender meets the financial limits for European Tendering or whether it is a Part B exempt service (e.g. certain social care contracts), consideration should be given to whether there may be interest from other countries. A record must be kept that consideration has been given to potential interest. Where there is a possibility of European interest a European Tendering process must be entered into.

All advertisements must be placed on The Chest. Other examples of where such advertisements may be placed include:

- the Council's website
- portal websites specifically created for contract advertisements
- national official journals, or
- the Official Journal of the European Union (OJEU)/Tenders Electronic Daily (TED), where the total value of the contract is above the EU threshold. Advertisements must not appear in any other publication in advance of ~~publication in OJEU~~ *despatch of the notice to TED.*

CR23 Officers are responsible for ensuring that all *Tenderers* for a *Relevant Contract* are suitably assessed. The assessment process shall establish that the potential *Tenderers* have sound:

- economic and financial standing
- technical ability and capacity

to fulfil the requirements of the Council (see *Procurement Guide* for further details).

CR24 This shall be achieved in respect of proposed contracts that are expected to exceed £50,000 by selecting firms from:

- ~~Approved Lists of providers, maintained by the Council or on its behalf, and compiled following responses to a public advertisement, or~~
- shortlists assessed from expressions of interest in a particular contract submitted in response to a public advertisement.
- a "mini competition" from pre-qualified contractors registered on *Constructionline*

CR25 Public advertisements issued in respect of Rule CR23 above shall reflect the potential degree of interest from *Tenderers* located within other countries within the EU.

Approved Lists

~~CR25 Approved Lists should be used where recurrent transactions of a similar type are likely but where such transactions need to be priced individually and cannot easily be aggregated and priced in a single tendering exercise. Approved Lists cannot be used where the EU Procedure applies.~~

~~CR26 Executive Directors may draw up in consultation with Central Commissioning and Procurement:~~

- ~~Approved Lists of persons ready to perform contracts to supply goods or services of particular types including without limitation on the basis of agreed contract terms~~
- ~~criteria for Shortlisting from the lists.~~

~~CR27 No person may be entered on an Approved List until there has been an adequate investigation into both their financial and their technical ability to perform the contract, unless such matters will be investigated each time bids are invited from that list.~~

~~CR28 Approved Lists must be drawn up after an advertisement inviting applications for inclusion on the list. The advertisement must be placed to secure the widest publicity among relevant suppliers throughout all the countries in the EU. Persons may be entered on a list between the initial advertisement and re-advertisement provided the requirements of Rule CR27 are met.~~

~~CR29 The list and Shortlisting criteria must be reviewed at least annually and re-advertised at least every three years. On re-advertisement, a copy of the advertisement must be sent to each person on the list, inviting them to reapply. Review means:~~

- ~~the reassessment of the financial and technical ability and performance of those persons on the list, unless such matters will be investigated each time bids are invited from that list~~

- ~~the deletion of those persons no longer qualified, with a written record kept justifying the deletion.~~

~~CR30 All Approved Lists shall be maintained in an open, fair and transparent manner and be open to public inspection.~~

~~CR31 A register of pre-qualified contractors and Consultants maintained by or on behalf of central government (e.g. Constructionline) will be deemed to be an Approved List for the purpose of these contract procedure rules and shall not be generally subject to the requirements of Rules CR26 to CR30 inclusive. However, financial vetting must still be undertaken if using any of the contractors on such a list.~~

Framework Agreements

CR26 The term of a *Framework Agreement* must not exceed four years and, while an agreement may be entered into with one provider, where an agreement is concluded with several organisations, there must be at least three in number.

CR27 Contracts based on *Framework Agreements* may be awarded by either:

- applying the terms laid down in the *Framework Agreement* (where such terms are sufficiently precise to cover the particular call-off)
- where the terms laid down in the *Framework Agreement* are not precise enough or complete for the particular call-off, by holding a mini competition in accordance with the following procedure:
 - inviting the organisations within the *Framework Agreement* that are capable of executing the subject of the contract to submit written *Tenders*
 - fixing a time limit which is sufficiently long to allow *Tenders* for each specific contract to be submitted, taking into account factors such as the complexity of the subject of the contract
 - awarding each contract to the *tenderer* who has submitted the best *Tender* on the basis of the *Award Criteria* set out in the specifications of the *Framework Agreement*.

SECTION 3: CONDUCTING PURCHASE AND DISPOSAL

COMPETITION REQUIREMENTS FOR PURCHASE, DISPOSAL AND PARTNERSHIP ARRANGEMENTS

Why this is important

Rules on competition requirements are laid down which demonstrate transparency, cost benefits and an appropriate audit trail. This ensures *Officer* time spent is commensurate with the value of the transaction whilst control is maintained.

The *Officer* must calculate the *Total Value* of the proposed contract.

The following procedures apply where there are no other procedures which take precedence. Other procedures may include agency agreements with Central Government. If in doubt, *Officers* must seek the advice of the *Section 151 Officer*.

Purchasing – Competition Requirements

CR28 Where the *Total Value* for a purchase over the period of the contract is within the values in the first column below, the *Award Procedure* in the second column must be followed (the maximum number of organisations will not apply in an ‘open’ procedure). ~~Shortlisting shall be done by the persons specified in the third column.~~

| Total Value | Award Procedure | Approval By |
|------------------------------|--|---|
| Up to £1,000 | Quotations advisable | Appropriate Authorised Officer |
| £1,001 - £5,000 | Where possible three written quotations required | Appropriate Authorised Officer |
| £5,001 - £50,000 | A minimum of three written <i>Quotations</i> or <i>Competitive Tenders</i> should be invited through <i>The Chest</i> . | Appropriate Authorised Officer |
| £50,000– <i>EU Threshold</i> | <i>Invitation to Tender</i> by advertisement through <i>The Chest</i> / list to at least three and no more than six <i>Tenderers</i> . | Appropriate Authorised Officer in consultation with Assistant Director and <i>Section 151 Officer</i> |
| Above <i>EU Threshold</i> | <i>EU Procedure</i> or, where this does not apply, <i>Invitation to Tender</i> by advertisement through <i>The Chest</i> / list to at least five and no more than 10 Candidates. | <i>Executive Director</i> / <i>Asst. Chief Exec.</i> / Assistant Director in consultation with <i>Head of Legal Services</i> and <i>Section 151 Officer</i> . |

The *EU Thresholds* are currently £ 156,442 for supplies and services and £ 3,927,260 for works. *EU Thresholds* are reviewed every 2 years; the value is expressed in Euros and is affected by exchange rates **at the time that the threshold is set**. In case of doubt *Central Commissioning and Procurement* should be consulted.

Officers must be able to demonstrate that the appropriate budget is available and *Value For Money* has been obtained.

CR29 Where it can be demonstrated that there are insufficient suitably qualified *Tenderers* to meet the competition requirement, all suitably qualified *Tenderers* must be invited.

CR30 An *Officer* must not enter into separate contracts nor select a method of calculating the *Total Value* in order to minimise the application of these contract procedure rules e.g. not artificially dividing the *total value* of any contract over a number of financial years.

CR31 Where the *EU Procedure* is required, the *Officer* shall consult *Central Commissioning and Procurement* to determine the method of conducting the purchase.

Assets for Disposal

CR32 Assets for disposal greater than £5,000 must be sent to public auction except where better *Value for Money* is likely to be obtained by inviting *Quotations* and *Tenders*. (These may be invited by advertising on the Council's intranet site). In the latter event, the method of disposal of surplus or obsolete stocks/stores or assets other than land must be formally agreed with the *Section 151 Officer*.

Providing Services to External Purchasers

CR33 The *Head of Legal Services* and the [Financial Procedure Rules](#) must be consulted where contracts to work for organisations other than the Council are contemplated.

Collaborative and Partnership Arrangements

CR34 Collaborative and partnership arrangements are subject to all UK and EU procurement legislation and must follow these contract procedure rules.

[For fuller details re partnership arrangements please refer to the 'Code of Practice for Partnerships'](#).

The Appointment of Consultants to Provide Services

CR35 Consultant architects, engineers, surveyors and other professional *Consultants* shall be selected and commissions awarded in accordance with the procedures detailed within these contract procedure rules.

CR36 The engagement of a *Consultant* shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment.

CR37 Records of consultancy appointments shall be maintained in accordance with Rules CR17 to CR20.

CR38 *Consultants* shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the relevant *Executive Director* for the periods specified in the respective agreement.

PRE-TENDER MARKET RESEARCH AND CONSULTATION

CR39 The *Officer* responsible for the purchase:

- may consult potential suppliers prior to the issue of the *Invitation to Tender* in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any potential *Tenderer*, but
- must not seek or accept technical advice on the preparation of an *Invitation to Tender* or *Quotation* from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential *Tenderers* or distort competition, and
- should seek advice from *Central Commissioning and Procurement*

STANDARDS AND AWARD CRITERIA

Why this is important

Proper consideration of standards required for all purchases will ensure the quality of the Council's goods and services is maintained at the highest level. The *award criteria* needs to be defined and communicated to potential *tenderers* in order to comply with relevant legislation to ensure that a transparent and auditable process is maintained which will help defend any challenges received.

CR40 The *Officer* must ascertain what are the relevant British, European or international standards which apply to the subject matter of the contract. The *Officer* must include those standards which are necessary properly to describe the required quality. The *Head of Legal Services* must be consulted if it is proposed to use standards other than European standards.

CR41 The *Officer* must define *Award Criteria* that are appropriate to the purchase and designed to secure an outcome giving *Value for Money* for the *Council*. The basic criteria shall be:

- 'lowest price' where payment is to be made by the Council
- 'highest price' if payment is to be received, or
- 'most economically advantageous', where considerations other than price also apply.

~~If the last criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations. These may include~~

~~price, service, quality of goods, running costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters.~~

Where tenders are subject to the EU procedures, *The Officer* must distinguish between criteria relating to the selection of tenders to be invited to tender ("*Selection Criteria*") and criteria to be used for the award of the contract ("*Award Criteria*"). *Selection Criteria* are those which relate to a tenderer's suitability (experience, staffing, equipment, general capacity to perform etc) and must not be taken into account when deciding the most economically advantageous tender. *Award Criteria* must only include those aspects which are directly related to the delivery of the contract and that identify them as being the most economically advantageous tender (see *Procurement Guide* for further details).

CR48 ~~*Award Criteria* must only include all aspects that identify them as being the most economically advantageous tender (see *Procurement Guide* for further details).~~

CR42 If the most economically advantageous criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations. These may include price, service, quality of goods, running costs, technical merit, delivery date, cost effectiveness, quality, relevant environmental considerations, aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters.

INVITATIONS TO TENDER / QUOTATIONS

CR43 The *Invitation to Tender* shall state that no *Tender* will be considered unless it is received by the date and time stipulated in the *Invitation to Tender*. ~~No tender delivered in contravention of this clause shall be considered.~~ In exceptional circumstances the following will apply:

- Tenders received after the due time and date, but prior to the opening of the other tenders, may be considered only if the Assistant Chief Executive or nominated officer decides that there are exceptional circumstances e.g. despatched in good time but delayed through no fault of the tenderer and if rejected there may be inadequate competition.
- Only in the most exceptional circumstances will a tender be considered which is received after the opening of the other tenders and only then if the tenders that have been duly opened have not left the custody of the Assistant Chief Executive or nominated officer or if the process of evaluation and adjudication has not started.
- While decisions as to the admissibility of late, incomplete or amended tenders are under consideration, the tender documents shall be kept

strictly confidential, recorded, and held in safe custody by the Assistant Chief Executive or nominated officer.

CR44 All *Invitations to Tender* shall include the following:

- (a) A specification that describes the Council's requirements in sufficient detail to enable the submission of competitive offers.
- (b) A requirement for *tenderers* to declare that the *Tender* content, price or any other figure or particulars concerning the *Tender* have not been disclosed by the *Tenderer* to any other party.
- (c) A requirement for *tenderers* to complete fully and sign all *Tender* documents including a form of *Tender* and certificates relating to canvassing and non-collusion.
- (d) Notification that *Tenders* are submitted to the Council on the basis that they are compiled at the *Tenderer's* expense.
- (e) A description of the *Award Procedure* and, unless defined in a prior advertisement, a definition of the *Award Criteria* in objective terms and if possible in descending order of importance.
- (f) ~~Notification that no *Tender* will be considered unless it is enclosed in a sealed envelope or container which bears the word '*Tender*' followed by the subject to which it relates, but no other name or mark indicating the sender.~~
- (f) All tenders shall be received via *The Chest* electronic tendering portal. Tenders received will be securely and confidentially stored in *The Chest* by *Central Commissioning and Procurement* until the date and time stipulated in the invitation to tender.
- (g) A stipulation that any *Tenders* submitted other than via *The Chest* shall not be considered (unless approved by *Central Commissioning and Procurement*).
- (h) The method by which any arithmetical errors discovered in the submitted *Tenders* is to be dealt with in one of the following ways:
 - Mathematical errors (e.g. of extension or summation) apparent on the face of the *Tender* shall be corrected by the *officer* and the *Tenderer* shall be given the opportunity of confirming or withdrawing their *Tender* on the basis of the corrected figures.
 - Such other errors (e.g. in rates) as may come to the attention of the *officer* shall be notified to the *Tenderer* who shall be given the opportunity of confirming or withdrawing their *Tender* on the basis of the uncorrected figures stated in the *Tender*.

CR45 All *Invitations to Tender* or *Quotations* must specify the goods, service or works that are required, together with the terms and conditions of contract that will apply (~~see Rules CR77 to CR88~~).

CR46 The *Invitation to Tender* or *Quotation* must state that the Council is not bound to accept any *Quotation* or *Tender*.

CR47 All *Tenderers* must be issued with the same information at the same time and subject to the same conditions. Any supplementary information must be given on the same basis.

SHORTLISTING / DESELECTION

CR48 Any *Shortlisting / Deselection* must have regard to the financial and technical standards relevant to the contract and the *Award Criteria*. (See *Procurement Guide* for further information regarding deselection).

~~**CR49** The officers responsible for *Shortlisting* are specified in Rule CR34.~~

~~**CR56** Where *Approved Lists* are used, *Shortlisting* may be done by the *Officer* in accordance with the *Shortlisting* criteria drawn up when the *Approved List* was compiled (see Rule CR26). However, where the *EU Procedure* applies, *Approved Lists* may not be used.~~

~~**CR50** *Shortlisting* may be done by the *Officer* in accordance with the *Shortlisting* criteria drawn up when the *Invitation to Tender* was compiled.~~

SUBMISSION, RECEIPT AND OPENING OF TENDERS / QUOTATIONS

CR51 *Tenderers* must be given an adequate period in which to prepare and submit a proper *Quotation* or *Tender*, consistent with the complexity of the contract requirement. Normally at least four weeks should be allowed for submission of *Tenders*. The *EU Procedure* lays down specific time periods (see guidance in the *Procurement Guide*).

CR52 All *Tenders* must be returned to the Assistant Chief Executive (~~via *The Chest*~~).

~~**CR59** *Tenders* received by fax or other electronic means (e.g. email) must be rejected, unless they have been sought in accordance with an electronic tendering system approved by *Central Commissioning and Procurement* (e.g. *The Chest*).~~

~~**CR60** The *Officer* must not disclose the names of *Tenderers* to any staff involved in the receipt, custody or opening of *Tenders*.~~

CR53 The Assistant Chief Executive shall be responsible for the safekeeping of *Tenders* until the appointed time of opening. Each *Tender* must be:

- suitably recorded so as to subsequently verify the date and precise time it was received
- adequately protected immediately on receipt to guard against amendment of its contents
- recorded immediately on receipt in the *Tender Record Log* (if outside of *The Chest* portal).

CR54 The Assistant Chief Executive must ensure that all *Tenders* are opened at the same time when the period for their submission has ended. The *Officer* or his or her representative must be present. *Tenders* must be opened in the presence of the Assistant Chief Executive or his/her representative and the Executive Board Member of the relevant Portfolio or nominee will also be invited.

~~**CR55** Upon opening, a summary of the main terms of each *Tender* (i.e. significant issues that are unique to each *Tender* submission and were not stated in the *Tender* invitation documents such as *Tender* sum, construction period, etc), must be recorded in the *Tender Record Log*. The summary must be initialled on behalf of the Assistant Chief Executive.~~

CLARIFICATION PROCEDURES AND POST-TENDER NEGOTIATION

Why this is important?

Although post-tender negotiations are likely to be the exception, where it is deemed beneficial to the Council it is important that the rules below are adhered to to protect Council Officers, maintain transparency and reduce the opportunity for corruption.

CR56 Providing clarification of an *Invitation to Tender* to potential or actual *Tenderers* or seeking clarification of a *Tender*, whether in writing or by way of a meeting, is permitted. However, discussions with tenderers after submission of a *Tender* and before the award of a contract with a view to obtaining adjustments in price, delivery or content (i.e. post-tender negotiations) must be the exception rather than the rule. In particular, they must not be conducted in an *EU Procedure* where this might distort competition, especially with regard to price.

CR57 If post-tender negotiations are necessary after a single-stage *Tender* or after the second stage of a two-stage *Tender* (see *Procurement Guide*), then such negotiations shall only be undertaken with the *Tenderer* who is identified as having submitted the best *Tender* and after all unsuccessful *Candidates* have been informed. *Officers* appointed by the Executive Director to carry out post-tender negotiations should ensure that there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.

CR58 Post-tender negotiation must only be conducted following consultation with the *Heads of Legal Services* and *Central Commissioning and Procurement*. Negotiations must be conducted by a team of at least two *Officers*.

CR59 Where post-tender negotiation results in a fundamental change to the specification (or contract terms) the contract must not be awarded but re-tendered.

EVALUATION, AWARD OF CONTRACT, AND DEBRIEFING CANDIDATES

CR60 Apart from the debriefing required or permitted by these contract procedure rules, the confidentiality of *Quotations*, *Tenders* and the identity of *Tenderers* must be preserved at all times and information about one *Tenderer's* response must not be given to another *Tenderer*.

CR61 Contracts must be evaluated and awarded in accordance with the *Award Criteria*. During this process, *Officers* shall ensure that submitted *Tender* prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.

CR62 The arithmetic in compliant *Tenders* must be checked. If arithmetical errors are found they should be corrected and should be notified to the *Tenderer*, who should be requested to confirm or withdraw their *Tender*. Alternatively, if the rates in the *Tender*, rather than the overall price, were stated within the *Tender* invitation as being dominant, an amended *Tender* price may be requested to accord with the rates given by the *Tenderer* (see also CR50).

CR63 *Officers* may accept *Quotations* and *Tenders* received in respect of proposed contracts, provided they have been sought and evaluated fully in accordance with these contract procedure rules. The awarding of contracts that are expected to exceed £500,000 shall also be approved by the Executive Board.

CR64 Where the *Total Value* is over £50,000, the *Officer* must notify all *Tenderers* simultaneously and as soon as possible of the intention to award the contract to the successful *Tenderer*.

CR65 Where EU Procedure applies the *Officer* must provide unsuccessful *Tenderers* with a period of at least ten days (*Alcatel* standstill period) in which to challenge the decision before the *Officer* awards the contract. Under the standstill rule the *Officer* must debrief in writing all those *Tenderers* who submitted a bid about the characteristics and relative advantages of the leading bidder. No information, other than the following, should be given without taking the advice of *Central Commissioning and Procurement*:

- how the *Award Criteria* were applied
- the name of the successful *Tenderer*
- the characteristics and relative advantages of the successful *Tenderer* to that of the unsuccessful *Tenderer* being notified. This is a legal

requirement under the *EU procedure* rules. However, the actual content of the notification is at the *Officer's* discretion.

CR66 If the decision is challenged by an unsuccessful *Tenderer* then the *Officer* shall not award the contract and shall immediately seek the advice of *Central Commissioning and Procurement*. The *EU Procedure* imposes strict deadlines for raising a challenge and the Council's response (see *Procurement Guide*, Section 13).

CR67 Where there is no challenge under *EU Procedure* there is a legal requirement on the *Officer* to debrief unsuccessful *Tenderers* within 15 days of a request being made. If requested, the *Officer* may also give the debriefing information at Rule CR73 above to *Tenderers* who were deselected in a pre-tender *Shortlisting* process.

CR68 *Agents* or *consultants* cannot award contracts on behalf of the Council. The final decision and the award must comply with CR34 of these procedure rules.

SECTION 4: CONTRACT AND OTHER FORMALITIES

CONTRACT DOCUMENTS

Why this is important

Written documents clearly set the requirements of the Council (most of which are legislatively required) and ensure there is no ambiguity or confusion in what is being sought. They therefore provide the legal basis upon which the Council will measure whether its requirements have been met and provide a document which is enforceable in law.

Relevant Contracts

CR69 All Orders and *Relevant Contracts* must be recorded on the SAP system.

CR70 All *Relevant Contracts* that exceed £50,000 shall be in writing.

CR71 All *Relevant Contracts*, irrespective of value, shall clearly specify:

- what is to be supplied (i.e. the works, materials, services, matters or things to be furnished, had or done)
- the provisions for payment (i.e. the price to be paid and when)
- the time, or times, within which the contract is to be performed
- the provisions for the Council to terminate the contract.

CR72 The Council's order form / standard terms and conditions or other standard terms and conditions issued by a relevant professional body must be used wherever possible.

CR73 In addition, every *Relevant Contract* of purchase over £50,000 must also state clearly as a minimum:

- that the contractor may not assign or sub-contract without prior written consent
- any insurance requirements
- health and safety requirements
- ombudsman requirements
- data protection requirements, if relevant
- that charter standards are to be met if relevant
- Equality and Diversity requirements
- Freedom of Information Act requirements
- **Bribery Act 2010 requirements**
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant.

CR74 The formal advice of the *Head of Legal Services* and / or *Section 151 Officer* must be sought for the following contracts:

- those involving leasing arrangements
- those that are complex in any other way.

Contract Formalities

CR75 Agreements shall be completed as follows:

| Total Value | Method of Completion | By |
|---------------------------------|-----------------------------|--|
| Up to £50,000 | one signature | Executive Director / Assistant Chief Executive / Assistant Director (see Rule CR84) |
| From £50,000 to £250,000 | two signatures | Executive Director / Assistant Chief Executive / Assistant Director (see Rule CR84) |
| Above £250,000 | signed and sealed | Executive Director / Assistant Chief Executive / Assistant Director (see Rules CR85 to CR87) |

CR76 All contracts must be concluded formally in writing before the supply, service or construction work begins, except in exceptional circumstances, and then only with the written consent of the *Head of Legal Services* or an *Officer* designated by him/her. An award letter is not sufficient.

CR77 The *Officer* responsible for securing signature of the contract must ensure that the person signing for the other contracting party has authority to bind it.

Sealing

CR78 Where contracts are completed by each side adding their formal seal, such contracts shall be signed by at least two *Officers* which, together with the fixing of the Council's seal, must be witnessed by a further officer on behalf of the *Head of Legal Services*.

CR79 Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal.

CR80 A contract must be sealed where:

- the Council may wish to enforce the contract more than six years after its end
- the price paid or received under the contract is a nominal price and does not reflect the value of the goods or services
- the *Total Value* exceeds £250,000.

Contract Extensions

CR81 It is usual for the Council to offer service contracts for a period of 3 years with options for additional years to a maximum of 5 years. Good practice dictates that contracts should not exceed 5 years without a further tender process taking place (see *Procurement Guide* for further guidance).

BONDS AND PARENT COMPANY GUARANTEES

CR82 When a *tenderer* is a subsidiary of a parent company then a *Parent Company Guarantee* should be obtained in writing for all contracts where the *Total Value* is between £250,000 and £1,000,000.

CR83 The *Officer* must consult the *Section 151 Officer* about whether a *Bond* is needed where the *Total Value* exceeds £1,000,000. This must include a full risk assessment being undertaken and clearly documented in order to support the decision reached. **The *Bond* must be in place prior to the commencement of the contract.**

PREVENTION OF BRIBERY AND CORRUPTION

CR84 The *Officer* must comply with the Officers' Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the *Officer* to prove that anything received was not received corruptly. High standards of conduct are obligatory. **Acceptance or offer of** bribes or corrupt behaviour will lead to dismissal and is a crime under the statutes referred to in Rule CR92 below.

CR85 ~~The following clause must be put in every written Council contract for services and goods:~~

~~"If the Contractor or any employee or person acting on the Contractor's behalf offers or gives to any person any gift or consideration as an inducement or reward for doing or forbearing to do any action in relation to obtaining this or any other contract with the Council or any other Council, or favours or disfavors any person in relation to this or such another contract, or shall have committed any offence under the Prevention of Corruption Acts 1889 to 1916 or the Local Government Act 1972, or offers or gives any reward to any Officer of the Council accepted or exacted by or from such Officer under colour of his office or employment (and is otherwise than the Officer's proper remuneration) the Council shall be entitled to terminate this Agreement and to recover from the Contractor the amount of any loss resulting from such termination."~~

~~"Any clause limiting the Contractor's liability shall not apply to this clause."~~

CR86 Every written Council contract for goods and services must contain an appropriate clause relating to the prevention of bribery and corruption. The Council's standard wording and further guidance can be found in the [Procurement Guide](#)

DECLARATION OF INTERESTS

CR87 If it comes to the knowledge of a member or an employee of the Council that a contract in which he or she has a pecuniary interest has been or is proposed to be entered into by the Council, he or she shall immediately give written notice to the ~~Head of Legal Services~~ **Solicitor to the Council**. The ~~Head of Legal Services~~ **Solicitor to the Council** shall report such declarations to the appropriate *Committee*.

CR88 The ~~Head of Legal Services~~ **Solicitor to the Council** shall ~~maintain~~ **ensure** a record of all declarations of interests notified by Members and *Officers* **is maintained**.

SECTION 5: CONTRACT MANAGEMENT

Why this is important

This provides a mechanism by which the Council can measure how well or otherwise the requirements of the contract are being met. It also alerts officers when intervention may be necessary in order to achieve the original objectives.

MANAGING CONTRACTS

CR89 *Executive Directors / Assistant Directors* in sponsoring directorates are to name contract *Officers* for all new contracts. All contracts must have a named council contract *Officer* for the entirety of the contract.

CR90 Contract *Officers* must follow the procedures set out in the Council's *Procurement Guide*.

CR91 The *Officer* will be responsible for the detailed management of the costs for a contract, and then signing off any relevant stage payments, under advice (with a clear audit trail) from the relevant professionals (where applicable), and report in to the Budget Holder as to how this is progressing.

RISK ASSESSMENT AND CONTINGENCY PLANNING

CR92 A business case must be prepared for all procurements with a potential value over £50,000. Provision for resources for the management of the contract, for its entirety, must be identified in the business case.

CR93 For all contracts with a value of over £50,000 contract *officers* must:

- maintain a risk register during the contract period
- undertake appropriate risk assessments and for identified risks ensure contingency measures are in place.

CONTRACT MONITORING, EVALUATION AND REVIEW

CR94 All contracts which have a value exceeding £50,000 are to be subject to a formal review with the contractor in accordance with the guidance given in the *Procurement Guide* (Section 13).

CR95 For all contracts with a value exceeding £50,000 an annual monitoring statement must be submitted to *Central Commissioning and Procurement*.

CR96 The relevant *Executive Director / Assistant Director* may require that a Council developed *Gateway* review process may be applied to all contracts deemed to be *High Risk, High Value* or *High Profile*. This process must be applied at key stages of major procurements.

CR97 During the life of the contract, the *Officer* must monitor in respect of (not an exhaustive list):

- performance
- compliance with specification and contract
- cost
- any *Value for Money* requirements
- user satisfaction and risk management
- adequate insurance cover
- equality and diversity
- business continuity plans
- financial health
- meeting Council's objectives.

CR98 Where the *Total Value* of the contract exceeds £250,000, the *Officer* must make a written report to the relevant *Portfolio Holder* evaluating the extent to which the purchasing need and the contract objectives (as determined in accordance with Rule CR15) were met by the contract. This should be done normally when the contract is completed. Where the contract is to be re-let, a provisional report should also be available early enough to inform the approach to reletting of the subsequent contract.

DEFINITIONS APPENDIX

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| Agent | A person or organisation acting on behalf of the Council or on behalf of another organisation. |
| Alcatel | The 10 day (if advised via facsimile or electronic means) or 15 day (if advised by other means) standstill period following provisional award of contract based on the Alcatel legal case required by EU Procurement Law. |
| Assistant Director | The officers defined as such in the Council's <i>Constitution</i> . |
| Award Criteria | The criteria by which the successful <i>Quotation</i> or <i>Tender</i> is to be selected (see further Rules CR46 to CR48 and CR50e). |
| Award Procedure | The procedure for awarding a contract as specified in Rules CR34, CR46 to CR48 and CR68 to CR76. |
| Best Value | <p>The duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the Council.</p> <p>This terminology has now in many instances been superseded by <i>Value for Money</i>.</p> |
| Bond | An insurance policy: if the contractor does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the bond (often 10% of the contract value). A bond is intended to protect the Council against a level of cost arising from the contractor's failure. |
| Central Commissioning and Procurement | The Council's central procurement unit charged with providing strategic direction and advice to secure <i>Value for Money</i> in the Council's procurement activities. |
| Committee | A committee which has power to make decisions for the Council, for example a joint committee with another local authority, but not a scrutiny committee. |

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| Constitution | The constitutional document approved by the Council which: <ul style="list-style-type: none"> • allocates powers and responsibility within the Council and between it and others • delegates authority to act to the Executive Board, <i>Committees, Portfolio Holders</i> and <i>Officers</i> • regulates the behaviour of individuals and groups through rules of procedure, codes and protocols. |
| Constructionline | UK pre-qualification database, serving the construction industry. |
| Consultant | Someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills or knowledge to the role, and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work. |
| Contracting Decision | Any of the following decisions: <ul style="list-style-type: none"> • withdrawal of <i>Invitation to Tender</i> • whom to invite to submit a <i>Quotation or Tender</i> • <i>Shortlisting</i> • award of contract • any decision to terminate a contract. |
| Corporate Contract | A contract let by the <i>Central Commissioning and Procurement</i> to support the Council's aim of achieving <i>Value for Money</i> . |
| Deselection | Not selecting <i>tenderers</i> to go forward to the invitation to tender process and award. |
| Document Retention Protocol | Rules and guidance relation to periods and requirements for the retention and disposal of all relevant key documents. |
| Equality and Diversity | Promotion of equality and elimination of discrimination on the grounds of age, disability, gender, race, religion or belief and sexual orientation. |
| EU Procedure | The procedure required by the EU where the <i>Total Value</i> exceeds the <i>EU Threshold</i> . |
| EU Threshold | The contract value at which the EU public procurement directives apply. |
| Financial Procedure Rules | The Council's financial regulations outlining <i>Officer</i> responsibilities for financial matters. |

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| Framework Agreement | An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged. |
| Gateway Review | Process which examines programmes and projects at key decision points in their lifecycle. |
| Head of Legal Services | The officer defined as such in the Council's <i>Constitution</i> . |
| High Profile | A high-profile purchase is one that could have an impact on functions integral to Council service delivery should it fail or go wrong. |
| High Risk | A high-risk purchase is one which presents the potential for substantial exposure on the Council's part should it fail or go wrong. |
| High Value | A high-value purchase is where the value exceeds the <i>EU Threshold</i> values. |
| I.C.E. | Institute of Civil Engineers standard forms of contracts, guidance notes and other standard documentation for use in the civil engineering industry. |
| Invitation to Tender | Invitation to tender documents in the form required by these contract procedure rules. |
| J.C.T. | Joint Contracts Tribunal standard forms of contracts, guidance notes and other standard documentation for use in the construction industry. |
| Key Decision | Decisions that are defined as key decisions in the Council's <i>Constitution</i> . |

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| Non-commercial Considerations | <p>(a) The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters').</p> <p>(b) Whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only.</p> <p>(c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p> <p>(d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</p> <p>(e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p> <p>(f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p> <p>(g) Financial support or lack of financial support by contractors for any institution to or from which the Council gives or withholds support.</p> <p>(h) Use or non-use by contractors of technical or professional services provided by the Council under the Building Act 1984 or the Building (Scotland) Act 1959.</p> |
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Workforce matters and industrial disputes, as defined in paragraphs (a) and (d), cease to be non-commercial considerations to the extent necessary or expedient to comply with Best *Value*; or where there is a transfer of staff to which the Transfer of undertakings (Protection of Employment) Regulations 2006 (*TUPE*) may apply.

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| Officer | The officer designated by the Executive Director / Assistant Director to deal with the contract in question. |
| O.J.E.U. | Official Journal of the European Union. |
| Parent Company Guarantee | A contract which binds the parent of a subsidiary company as follows: if the subsidiary company fails to do what it has promised under a contract with the Council, the Council can claim compensation from the Parent Company. |
| Portfolio Holder | A member of the Executive Board to whom political responsibility is allocated in respect of specified functions. |
| Procurement Guide | The suite of guidance documents, together with a number of standard documents and forms, which supports the implementation of these contract procedure rules. The guide is available on the Council's intranet. |

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| Procurement Strategy | The document setting out the Council's approach to procurement and key priorities for future years. |
| Quotation | A quotation of price and any other relevant matter (without the formal issue of an <i>Invitation to Tender</i>). |
| Relevant Contract | Contracts to which these contract procedure rules apply (see Rule CR 13 to CR14). |
| Section 151 Officer | The officer defined as such in the Constitution. |
| Selection Criteria | The criteria which relates to the prospective <i>Tenderer's</i> suitability to be invited to tender. |
| Shortlisting | The process of selecting <i>Tenderers</i> who are to be invited to quote or bid or to proceed to final evaluation. |
| Tender | A <i>Tenderer's</i> proposal submitted in response to an <i>Invitation to Tender</i> . |
| Tenderer | Any person who asks or is invited to submit a <i>Quotation</i> or <i>Tender</i> . |
| Tender Record Log | The log kept by the Assistant Chief Executive to record details of <i>Tenders</i> . |
| The Chest | North West's Local Authority Procurement Portal. Mandated for use within the Council |
| Total Value | The whole of the value or estimated value (in money or equivalent value) for a single purchase or disposal calculated as follows: (a) where the contract is for a fixed period, by taking the total price to be paid or which might be paid during the whole of the period (b) where the purchase involves recurrent transactions for the same type of item, by aggregating the value of those transactions in the coming 12 months (c) where the contract is for an uncertain duration, by multiplying the monthly payment by 48 (d) for feasibility studies, the value of the scheme or contracts which may be awarded as a result (e) for <i>Nominated Suppliers and Sub-contractors</i> , the total value shall be the value of that part of the main contract to be fulfilled by the <i>Nominated Supplier or Sub-contractor</i> . |

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| TUPE | Subject to certain conditions, these regulations apply where responsibility for the delivery of works or services for the Council is transferred from one organisation (e.g. private contractor, local authority in-house team) to another (e.g. following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business. |
| Transfer of Undertakings (Protection of Employment Regulations 2006 (SI 2006 No.246) | |
| Value for Money | Value for money is not the lowest possible price; it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price. |