

Procedural Standing Orders

1. Meetings of the Council

1.01 The Annual Meeting of the Council shall be held:-

- (a) In a year of ordinary elections of Councillors, on the eighth day after the day of retirement of Councillors or such other day within twenty-one days of retirement as the Council may fix.
- (b) In any other year on such day in the month as the Council may fix.
- (c) The Summons to the Annual Meeting shall set out the business to be conducted thereat and the agenda shall be restricted, apart from the matters set to be decided at the Annual Meeting by these Standing Orders, to the appointment of Committees and Sub-Committees, the recognition of Group Leaders, the appointment of persons to represent the Council on outside bodies, the approval of a programme of ordinary meetings of the Council and Committees for the year and the notification to the Council by the Leader of the Council of the composition, constitution and identities of the Cabinet for the coming year and any proposed Executive delegation arrangements

1.02 The election of the Mayor shall be the first business transacted at the Annual Meeting of the Council.

1.03 The Council shall at the Annual Meeting of the Council appoint the Leader of the Council for the ensuing year.

1.04 In addition to the Annual Meeting of the Council and any meetings convened by the Mayor or by Members of the Council, meetings for the transaction of general business shall be held in each year on such dates as shall be fixed by the Council at the Annual Meeting.

1.05 The Mayor may call an extraordinary meeting of the Council at any time and shall call an extraordinary meeting if requested to do so by a Scrutiny Committee pursuant to the Budget and Policy Framework Procedure Rules.

1.06 If the Mayor refuses to call an extraordinary meeting of the Council after a requisition for that purpose, signed by five members of the Council, has been presented to him, or if, without so refusing, the Mayor does not call an extraordinary meeting within seven days after the requisition has been presented to him, then five members of the Council on that refusal or on the expiration of those seven days, as the case may be, may forthwith call an extraordinary meeting of the Council.

1.07 The Annual Meeting and other meetings of the Council for the transaction of general business shall be held at 6.00pm.

2. Deputy Mayor

The Council shall at the Annual Meeting appoint a Deputy Mayor.

3. Conduct of Meetings

Any power or duty of the Mayor in relation to the conduct of a meeting of the

Council may be exercised in his absence by the Deputy Mayor or in his absence, by the person presiding at the meeting.

4. **Quorum**

4.01 No business shall be transacted at a meeting of the Council, unless at least one quarter of the whole number of Members of the Council are present thereat.

4.02 If during any meeting of the Council the Mayor after counting the number of Members present declares that there is not a quorum present, the meeting shall stand adjourned.

4.03 The consideration of any business not transacted shall stand adjourned to a time fixed by the Mayor at the time the meeting is adjourned, or, if he does not fix a time, to the next ordinary meeting of the Council.

5. **Order of Business**

5.01 Except as otherwise provided by paragraph (2) of this Standing Order the order of business at every Ordinary Meeting of the Council shall be:-

- (a) To choose a person to preside if the Mayor and Deputy Mayor be absent.
- (b) Apologies for absence.
- (c) Any announcements, correspondence, communications or other business specially brought forward by the Mayor.
- (d) To deal with any business required by statute to be done before any other business.
- (e) To approve as a correct record and sign the Minutes of the last meeting of the Council.
- (f) To deal with any business expressly required by statute to be done.
- (g) To dispose of business (if any) remaining from the last meeting.
- (g) i) To deal with any petitions received under Standing Order 8A
- (h) To answer questions asked by the public under Standing Order No. 8.
- (i) To answer questions asked by Members under Standing Order No. 9.
- (j) To receive and consider reports, Minutes and recommendations of the Executive and Committees.
- (k) To consider comments under Standing Order No. 11.
- (l) To consider motions in the order in which notice has been received.
- (m) Other business if any specified in the summons.

5.02 **Variations of Order of Business**

Business falling under Items (a), (b), (c) or (d) of paragraph (1) of this Standing Order shall not be displaced but subject thereto the foregoing order of business may be varied:-

- (a) By the Mayor at his discretion

- (b) By a resolution passed on a motion (which need not be in writing) duly moved and seconded which shall be moved and put without discussion.

6. Motions and Amendments Which May be Moved Without Notice

The following motions and amendments may be moved without notice:-

- 6.01 The appointment of a Chairman of the meeting at which the motion is made.
- 6.02 Questioning the accuracy of the Minutes.
- 6.03 That an item of business specified in the summons has precedence.
- 6.04 Remission to the Executive or to a Committee.
- 6.05 Appointment of a Committee and Members thereof.
- 6.06 Appointment of new Leader whether following a resolution to dismiss the Leader or other eventuality expressed in Article 7.03 of the Articles of the Constitution.
- 6.07 Adoption of reports and recommendations of the Executive or of Committees or Officers and any consequent resolutions.
- 6.08 That leave be given to withdraw a motion.
- 6.09 Extending the time limit for speeches.
- 6.10 Amendments to motions.
- 6.11 That the Council proceed to the next business.
- 6.12 That the question be now put.
- 6.13 That the debate be now adjourned.
- 6.14 That the Council do now adjourn.
- 6.15 Suspending Standing Orders in accordance with Standing Order No. 26.
- 6.16 Motion under Section 100A of the Local Government Act 1972 to exclude the public and press.
- 6.17 That a Member named under Standing Order No. 15 be not further heard or do leave the meeting.
- 6.18 Giving consent of the Council where the consent of the Council is required by these Standing Orders.

7. Minutes

- 7.01 At each ordinary meeting of the Council the Mayor shall put the question that the Minutes of the previous ordinary meeting of the Council and any extraordinary meeting held since the last ordinary meeting of the Council be approved as a correct record.
- 7.02 No discussion shall take place upon the Minutes, except upon their accuracy, and any question of their accuracy shall be raised by motion. If no such question is raised, or if it is raised then as soon as it has been disposed of, the Mayor shall sign the Minutes.

8. Questions by the Public

- 8.01 A period of up to 30 minutes shall be allocated at every ordinary council meeting for any member of the public and any single representative of

any group or association operating in the Borough to ask questions of any member of the cabinet or chairman of any committee.

- 8.02 A question under this standing order may only be asked if notice has been given by delivering it in writing or by electronic mail to the Chief Executive no later than 5.00pm on the sixth day before the day of the meeting. Each question must give the name and address of the questioner.
- 8.03 At any meeting no person or representative may submit more than one question.
- 8.04 The Chief Executive may reject a question if it:
- (a) is not about a matter in respect of which the Council has powers or duties;
 - (b) is defamatory, frivolous or offensive;
 - (c) is substantially the same as another question which has been put at a meeting of the Council in the previous six months; or
 - (d) requires the disclosure of confidential or exempt information;
- 8.05 The Mayor will invite the questioner to put the question to the member named in the notice or to any other member nominated by the mayor if no member has been named by the questioner or if the member so named is in the opinion of the mayor not qualified to answer it. If the questioner be not present at the meeting, the question will not be dealt with.
- 8.06 Any answer may take the form of:
- (a) a direct oral answer;
 - (b) where the desired information is contained in a publication of the Council, a reference to that publication;
 - (c) a written answer circulated at the meeting; or
 - (d) a combination of such forms.
- 8.07 Any question which cannot be dealt with during public question time either because of lack of time or because of the non-attendance of the member to whom it was to be put will be dealt with by a written answer.
- 8.08 Every question shall be put and answered without discussion, but the member to whom it has been put may decline to answer.

8 A **Petitions**

- 8A.01 At an Ordinary Meeting of the Council in accordance with the Council's Petition Scheme a petition organiser or their nominated representative may present a petition to the Council.
- 8A.02 The Mayor will accept the petition on behalf of the Council
- 8A.03 The petition organiser, or their nominated representative may address the Council on the subject of the petition for a maximum of 5 minutes.
- 8A.04 The request to the Council which is the subject of the petition shall be deemed to be the motion before the Council and to have been moved

and seconded when the petition is accepted by the Mayor.

- 8A.05 Standing Order 14 (Rules of Debate for Council Meetings) shall apply to the debate on the motion, save that for the purposes of a debate on a petition, considered pursuant to this Standing Order, Standing order 14.07 shall be substituted by “The mover of an amendment shall have the right to reply at the close of the debate on his amendment. If his amendment is carried and if any further amendment is moved, the mover of the original amendment shall have the right of reply at the close of the debate on that further amendment and shall not otherwise speak on that amendment”.
- 8A.06 The debate on the petition will close when the last member remaining entitled to speak and wishing to do so has spoken and the substantive motion then before the Council shall be put to the vote.

9. Questions by Members

9.01 At an Ordinary Meeting of the Council a Member of the Council may:-

- (a) If, by 5.00pm, on the seventh day before the day of the meeting, notice in writing or by electronic mail has been given to the Chief Executive of the Council, ask any member of the Cabinet or the Chairman of any Committee any question on any matter in relation to which the Council has powers or duties.
- (b) With the permission of the Mayor put to him or any member of the Cabinet or the Chairman of any Committee any question relating to urgent business, of which such notice has not been given; but a copy of any such question shall, if possible, be delivered to the Chief Executive not later than 10 am, on the day of the meeting.

9.02 Any Member asking a question under Standing Order No. 9.01 may ask one related supplementary question of the member of the Cabinet or Chairman of the Committee answering the original question.

9.03 Every question or supplementary question shall be put and answered without discussion, but the person to whom a question has been put may decline to answer.

9.04 Any answer may take the form of:-

- (a) A direct oral answer; or
- (b) Where the desired information is contained in a publication of the Council, a reference to that publication; or
- (c) A written answer circulated to Members at the meeting of the Council.
- (d) A combination of such forms.

10. Reports and Recommendations of the Executive and Committees

10.01 Immediately after questions under Standing Order No. 9 have been dealt with, the reports and recommendations of the Executive or Committees shall be considered by the Council in the order in which they appear in the summons and the rules of debate for Council meetings shall apply to the consideration of such reports and recommendations.

10.02 The procedure set out in Part II of the Budget and Policy framework Procedure Rules in this Constitution shall be applied in the consideration of any draft plan or strategy recommended to the Council for adoption or approval by the Council.

11. Comments

11.01 At an Ordinary Meeting of the Council a Member of the Council may comment or ask a question upon any matter dealt with by the Executive or by a Committee or Sub-Committee under Delegated Powers and reported to the particular meeting of the Council for information.

11.02 The Mayor shall ask for comments or questions under Standing Order 11.01 to be put in relation to the work of the Executive and of each Committee in turn.

- 11.03 (a) A Member may comment upon any matter in relation to which the Council has powers or duties or which specifically affects the Borough other than any matter which has been considered at a meeting of the Cabinet or of a Committee or Sub-Committee the minutes of which are submitted for consideration at the same meeting of the Council, provided that notice of the comment has been delivered in writing to the Chief Executive by 5pm, on the day previous to the day of the meeting.
- (b) In a matter of urgency the Mayor may allow a Member to comment under this Standing Order without the requisite notice having been given provided that notice of the comment has been given to the Mayor or the Chief Executive by 6.15pm, on the day of the meeting.
- 11.04 The appropriate Cabinet member or the Chairman of the appropriate Committee or another Member nominated by him, may if he so desires, reply to any comments.
- 11.05 Except by consent of the Council, a Member's speech by way of comment or any reply thereto shall not exceed five minutes.
- 11.06 If the Chief Executive is of the opinion that a proposed comment is not within the scope of this Standing Order or is, vexatious, scurrilous or otherwise improper, he may refer the notice thereof to the Mayor who may direct that it be returned with an intimation that it will be not be considered at the meeting except upon the written request of three Members of the Council, and the Chief Executive shall return the same accordingly.

12. **Notice of Motion**

- 12.01 Notice of every motion, other than a motion which under Standing Order No. 6 may be moved without notice, shall be in writing, signed by the Member or Members of the Council giving the notice and delivered, by 5pm, on the seventh day before the day of the meeting of the Council at which the motion is to be dealt with, at the office of the Chief Executive of the Council by whom it shall be dated, numbered in the order in which it is received and entered in a book which shall be open to the inspection of every Member of the Council.
- 12.02 The Chief Executive shall set out in the summons for every meeting of the Council all motions of which notice has been duly given in the order in which they have been received, unless the Member giving such a notice intimated in writing, when giving it, that he proposed to move it at some later meeting, or has since withdrawn it in writing.
- 12.03 If a motion thus set out in the Summons be not moved by the Member who gave notice thereof it shall, unless postponed by consent of the Council, be treated as withdrawn and shall not be moved without fresh notice.
- 12.04 Every motion shall be relevant to some matter in relation to which the Council has powers or duties or which affects the Borough. The determination on this paragraph shall be made by the Mayor.

- 12.05 If the Chief Executive is of the opinion that a proposed motion is not within the scope of this Standing Order or is vexatious, scurrilous or otherwise improper, he may refer the notice to the Mayor who may direct that it be returned with an intimation that it will not be placed on the Notice of Meeting except upon the written request of three Members of the Council, and the Monitoring Officer shall return the same accordingly.
- 12.06 If the same notice be afterwards re-delivered to the Chief Executive with a request for its insertion in the Notice of Meeting written thereon and signed by three Members of the Council, the Chief Executive shall then insert such notice, with the names of the requesting Members, in the notice of the next following meeting of the Council.

13. Motion to Remove Leader of Council

A motion of no confidence in the Leader of the Council, or to remove or dismiss the Leader of the Council shall only be moved at a Council Meeting if the notice thereof given in pursuance of Standing Order 12 bears the names of at least one-fifth of the whole number of Members of the Council.

14. Rules of Debate for Council Meetings

- 14.01 (a) A motion shall not be discussed unless it has been proposed and seconded.
- (b) An amendment must be proposed and seconded and if so required by the Mayor shall be put in writing and handed to the Mayor before it is put to the meeting.
- 14.02 A Member when seconding a motion or amendment shall say 'I second' and may, if he then declares his intention to do so, reserve his speech until a later period of the debate.
- 14.03 A Member when speaking shall stand and address the Mayor. If two or more Members rise, the Mayor shall call on one to speak; the other or others shall then sit. While a Member is speaking, the other Members shall remain seated unless rising to a point of order or in personal explanation. Members shall speak of each other in Council during the transaction of business by their respective titles of "Mr. Mayor" (or "Deputy Mayor") or "Madam Mayor" (or "Deputy Mayor") or 'Councillor' as the case may be.
- 14.04 A Member shall direct his speech to the question under discussion or to a personal explanation or to a point of order.
- 14.05 Except by consent of the Mayor the speech of the proposer of any motion or amendment shall not exceed ten minutes, and all other speeches shall not exceed five minutes. If such consent be given, the speech may be continued for a further five minutes, unless the Mayor is of the opinion that the subject matter of the speech is of more than ordinary importance, in which case the speech may be continued for such further time as the Mayor may allow. In no case shall more than one extension of time be granted.
- 14.06 A Member who has spoken on any motion shall not speak again whilst it

is the subject of debate except:-

- (a) to speak once on an amendment moved by another Member;
- (b) if the motion has been amended since he last spoke, to move a further amendment;
- (c) if his first speech was on an amendment moved by another Member, to speak on the main issue, whether or not the amendment on which he spoke was carried;
- (d) in exercise of a right of reply given by paragraph (7) or (14) of this Standing Order;
- (e) on a point of order;
- (f) by way of personal explanation.

14.07 The mover of a motion has the right to reply at the close of the debate on the motion, immediately before it is put to the vote. If an amendment is moved, the mover of the original motion shall also have a right of reply at the close of the debate on the amendment, and shall not otherwise speak on the amendment. The mover of the amendment shall have a right of reply to the debate on his amendment immediately before the mover of the original motion.

14.08 An amendment shall be relevant to the motion and shall be either:-

- (a) to refer a subject of debate to the Cabinet or to a Committee for consideration or reconsideration; or
- (b) to leave out words; or
- (c) to leave out words and insert or add others; or
- (d) to insert or add words;

14.09 Only one amendment may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of.

14.10 If an amendment is lost, other amendments may be moved on the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the motion upon which any further amendment may be moved.

14.11 A Member may, with the consent of the Council signified without discussion:-

- (a) alter a motion of which he has given notice, or
- (b) with the further consent of his seconder, alter a motion which he has moved.

If (in either case) the alteration is one which could be made as an amendment thereto.

14.12 A motion or amendment may be withdrawn by the mover with the consent of his seconder and of the Council, which shall be signified without discussion and no Member may speak upon it after the mover

has asked permission for its withdrawal, unless such permission shall have been refused.

14.13 When a motion is under debate, no other motion shall be moved except the following:-

- (a) to amend the motion;
- (b) to adjourn the meeting to a specified date and time.
- (c) to adjourn the debate to a specified date and time.
- (d) to proceed to the next business;
- (e) that the question be now put;
- (f) that a Member be not further heard;
- (g) by the Mayor under Standing Order No. 15(2) that a Member do leave the meeting;
- (h) a motion under Section 100(A) (4) of the Local Government Act, 1972 to exclude the public.

14.14 A Member who has not already spoken on the proposition or, if an amendment has been moved and is under debate, the amendment under debate, may move, without comment, at the conclusion of a speech of another Member 'that the Council proceed to the next business' (in the case of comments or questions), 'that the question be now put', 'that the debate be now adjourned' or 'that the Council do now adjourn', on the seconding of which the Mayor shall proceed as follows:-

- (a) On a motion to proceed to the next business he shall put to the vote the motion to proceed to the next business and if the vote be passed the appropriate Chairman shall be given an opportunity to respond to the comment(s) or question(s) previously made or put;
- (b) On a motion that the question be now put: unless in his opinion the matter before the meeting has been insufficiently discussed, he shall first put to the vote the motion that the question be now put and, if it is passed, then give the mover of the original motion his right of reply under paragraph (7) of this Standing Order before putting his motion to the vote:
- (c) On a motion to adjourn the debate or the meeting: if in his opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion, he shall put the adjournment motion to the vote without giving the mover of the original motion his right of reply on that occasion.

14.15 A Member may rise on a point of order or in personal explanation, and shall be entitled to be heard forthwith. A point of order shall relate only to an alleged breach of a Standing Order or statutory provision and the Member shall specify the Standing Order or statutory provision and the way in which he considers it has been broken. A personal explanation shall be confined to some material part of a former speech by him which may appear to have been misunderstood in the present debate.

14.16 The ruling of the Mayor on a point of order or on the admissibility of a personal explanation shall not be open to discussion.

14.17 Whenever the Mayor rises during a debate a Member then standing shall resume his seat and the Council shall be silent.

15. **Disorderly Conduct**

15.01 If at a meeting any Member of the Council, in the opinion of the Mayor notified to the Council, misconducts himself by persistently disregarding the ruling of the Chair, or by behaving irregularly, improperly, or offensively, or by wilfully obstructing the business of the Council, the Mayor or any other Member may move 'that the Member named be not further heard on this matter', and the motion, if seconded, shall be put and determined without discussion.

15.02 If the Member named continues his misconduct on the item under consideration or any subsequent item after a motion under the foregoing paragraph has been carried, the Mayor shall:-

- (a) either move 'that the Member named do leave the meeting' (in which case the motion shall be put and determined without seconding or discussion); or
- (b) adjourn the meeting of the Council for such period as the mayor in his discretion shall consider expedient.

15.03 If the event of general disturbance which in the opinion of the Mayor renders the due and orderly dispatch of business impossible, the Mayor, in addition to any other power vested in him, may, without question put, adjourn the meeting of the Council for such period as he in his discretion shall consider expedient.

15.04 **Disturbance by Members of the Public**

If a member of the public interrupts the proceedings at any meeting, the Mayor shall warn him. If he continues the interruption the Mayor shall order his removal from the meeting. In the event of general disturbance in any part of the Chamber open to the public, the Mayor shall order that part to be cleared.

16. **Rescission of Preceding Resolution**

16.01 No motion shall be moved at a Council meeting to rescind any resolution passed within the preceding six months, and no motion or amendment to the same effect as one which has been rejected within the preceding six months shall be proposed unless the notice thereof given in pursuance of Standing Order no. 12 bears the names of at least one quarter of the whole number of Members of the Council (or in the eventuality referred to in Paragraph 45 of the Schedule 12 to the Local Government Act, 1972 one quarter of the number of Members remaining qualified). When such motion or amendment has been disposed of by the Council, it shall not be open to any Member to propose a similar motion within a further period of six months.

16.02 Provided that this Standing Order shall not apply to any motion to remove the Leader of the Council pursuant to Standing Order 13 and

shall not restrict the right of the Cabinet or a Committee to resolve to place a recommendation before the Council to rescind a previous Minute.

17. Voting

17.01 Voting at meetings of the Council shall be by show of hands and on the requisition of any two Members of the Council, made before the vote is taken, the voting on any matter shall be recorded so as to show how each Member voted and there shall also be recorded the name of any Member then present who abstained from voting. The record shall be taken by the Chief Executive calling out the name of each Member present whereupon the Member whose name is called shall state whether he votes for or against the motion or abstains and the Chief Executive shall record his reply.

Where immediately after a vote is taken at a meeting any member so requires, there shall be recorded in the minutes of the proceedings of that meeting whether that person cast his vote for the question or against the question or whether he abstained from voting.

17.02 In the case of an equality of votes upon any question the Mayor shall have a second or casting vote.

17.03 Immediately after any vote is taken at a budget decision meeting of the Council there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

18. Voting on Appointments

Where there are more than two persons nominated for any position to be filled by the Council, and of the votes given there is not a majority in favour of one person, the name of the person having the least number of votes shall be struck off the list and a fresh vote shall be taken and so on until a majority of votes is given in favour of one person.

19. Record of Attendances

Every Member of the Council attending a meeting of the Council shall sign his name in the Attendance Book or sheet provided for that purpose and from which the attendance of Members will be recorded.

20. Election of a Chairman of a Committee

Every Committee and Sub-Committee shall, at its first meeting, before proceeding to any other business, elect a Chairman and Vice-Chairman for the year unless such appointments have been determined by the Council. In the absence from a meeting of the Chairman and Vice-Chairman, a Chairman for that meeting shall be appointed.

21. Sub-Committees

Each Committee appointed by the Council may appoint Sub-Committees for purposes to be specified by the Committee.

22. Meetings of Ordinary Committees and Sub-Committees

- 22.01 All meetings of Ordinary Committees and Sub-Committees shall be summoned by the Chief Executive.
- 22.02 The Chairman of an ordinary Committee or Sub-Committee may instruct the Chief Executive of the Council to summon a special meeting at any time. A special meeting shall also be summoned on the requisition of not less than a quarter of the whole number of the Committee or Sub-Committees delivered in writing to the Chief Executive. Each such instruction or requisition shall be in writing and shall specify the business which it is desired shall be transacted at the meeting. The summons to a special meeting shall set out the business to be considered thereat, and no business other than that set out in the summons shall be considered at that meeting.

23. Quorum of Committees and Sub-Committees

- 23.01 Except where ordered by the Council, business shall not be transacted at a meeting of any Committee unless at least one quarter of the whole number of the Committee is present, provided that in no case shall the quorum of a Committee be less than three Members.
- 23.02 Except as aforesaid or as otherwise ordered by the Committee which has appointed it, business shall not be transacted at a Sub-Committee unless at least one quarter of the whole number of the Sub-Committee is present. Provided that in no case shall the quorum of a Sub-Committee be less than two Members.

24. Constitution to be given to Members

A printed copy of the Constitution of the Council shall be given to each Member of the Council by the Chief Executive upon delivery to him of the Member's declaration of acceptance of office on the Member's being first elected to the Council.

25. Interpretation of Standing Orders

The ruling of the Mayor (or, if he shall be in the chair, the Deputy Mayor or any other member chairing the meeting) as to the construction or application of these Standing Orders, or as to any proceedings of the Council, shall not be challenged at any meeting of the Council.

26. Suspension of Standing Orders

- 26.01 Subject to paragraph (2) of this Standing Order, any of the preceding Standing Orders may be suspended so far as regards any business at the meeting where its suspension is moved.
- 26.02 A motion to suspend any Standing Order(s) (which shall be specified in the motion) shall not be moved without notice unless there shall be present at least one half of the whole number of the members of the Council and shall not be carried except by the vote of not less than two-thirds of the Members of the Council present.

27. Application to Committees and Sub-Committees

Standing Orders numbered 3, 7, 12(4), 14, 15, 16, 17, 18, 19, 25 and 30 shall

apply to meetings of the Committees and Sub-Committees of the Council as they apply to the Council meeting and references to "the Mayor and Deputy Mayor" shall apply to the Chairman and Vice-Chairman respectively of the Committee or Sub-Committee concerned and references to the "Council Chamber" shall apply to the room in which the meeting is held.

28. Absence of Chief Executive

In the absence of the Chief Executive, any function of the Chief Executive shall be exercisable by a Director.

29. Variation and Revocation of the Constitution

Any motion to add to, vary or revoke the Articles of the Constitution, Procedural Standing Orders, Standing Orders relating to Contracts, Standing Orders for Dealings with Land and Standing Orders Relating to Staff except for the amendment of financial limits and other amendments appropriate to give effect to changes in officers' duties, responsibilities and titles, shall, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council.

30. Disclosable Pecuniary Interests

30.01 If a member is aware he/she has a disclosable pecuniary interest in any matter to be considered, or being considered at the meeting, the Member must withdraw from the room or chamber where the meeting considering the business is being held:

aa) in the case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;

bb) in any other case, wherever it becomes apparent that the business is being considered at that meeting;

unless the member has obtained a dispensation from the Council's Standards Committee or Monitoring Officer.

30.02 Where a member has a disclosable pecuniary interest in any business of the Council, the member may attend a meeting (including a meeting of the overview and scrutiny committee of the Council or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

31. Substitutes on Committees

31.1 For each of the standing Committees and Sub-Committees for the Council, where a member of a committee is listed as a member of a political group for the purposes of allocating committee seats, all other eligible members of that political group properly notified to the proper officer who are not appointed members of that Committee or Sub-Committee are appointed as substitute members.

31.2 Where a member (the original member) of a standing Committee or sub-committee of the Council is unable to attend a meeting of that

Committee or Sub-Committee the original member may request the member appointed as a substitute pursuant to Standing Order 31.1 (the substitute member) for that Committee or Sub-Committee for the political group to which the original member belongs to attend the Committee or Sub-Committee on behalf of the original member. The attendance of the substitute shall be notified in writing to the Chief Executive no later than 5pm on the day before the meeting. The substitute member shall announce at the start of the meeting which member they are substituting for under the item "Apologies for Absence and Substitutions".

31.3 A substitute member shall not be permitted to attend a meeting of the Planning Committee, Environment and Licensing Committee or Licensing Act Committee unless he has previously received appropriate training to the satisfaction of the Director of Organisational Development and Democratic Services.

31.4 The substitute member attending the Committee or Sub-Committee shall declare his presence as substitute at the commencement of the business of the Committee or Sub-Committee. The substitute member shall then act for all purposes, for the duration of that meeting only, as though he were the original member of the Committee or Sub-Committee.

31.5 If the original member of the Committee or Sub-Committee is the Chair or Vice-Chair of that Committee or Sub-Committee the substitute member shall not automatically be entitled to act in that office.

32. **Recording of meetings approved at Council**

32.1 Where the public are excluded from a meeting, persons present shall not report on the meeting using methods:

- (a) which can be used without that person's presence at the meeting, and
- (b) which enable persons not present at the meeting to see or hear the proceedings at the meeting as it takes place or later,

Unless the meeting first resolves to allow such reporting to take place.

32.2 For the purposes of this standing order, "reporting" means:

- (a) Filming, photographing or making an audio recording of proceedings at the meeting;
- (b) Using any other means for enabling persons not present to see or hear proceedings at the meeting as it takes place or later; or
- (c) Reporting or providing commentary on proceedings at the meeting, orally or in writing, so that the report or commentary is available as the meeting takes place or later to persons not present.

Access to Information Procedure Rules

1. Scope

These rules apply to all meetings of the Council, committees, sub-committees and public meetings of the executive (together called meetings).

2. Proper Officer

The Chief Executive shall be the Proper Officer for all purposes set out in these rules and is authorised to require the executive or any officer to supply him with any document or information in whatever form or style he may specify which he believes may be relevant to the exercise of any of his functions hereunder.

3. Additional Rights to Information

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law.

4. Rights to Attend Meetings

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

5. Notices of Meeting

The council will give at least five clear days' notice of any meeting by posting details of the meeting at the Civic Centre unless the meeting is called at shorter notice, in which case the notice will be posted when the meeting is called.

6. Access to Agenda and Reports Before the Meeting

The Council will make copies of the agenda and reports open to the public available for inspection at the designated office when the meeting is called. If an item is added to the agenda later, the revised agenda (where reports are prepared after the summons has been sent out, the designated officer shall make each such report available to the public as soon as the report is completed and sent to councillors) will be open to inspection from the time the item was added to the agenda.

7. Supply of Copies

The Council will supply copies of:

- (a) any agenda and reports which are open to public inspection;
- (b) any further statements or particulars necessary to indicate the nature of the items in the agenda; and
- (c) if the proper officer thinks fit, copies of any other documents supplied to councillors in connection with an item;

to any person on payment of a charge for postage and any other costs.

8. Access to Minutes etc after the Meeting

The Council will make available copies of the following for six years after a meeting:

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

9. **Background Papers**

9.01 **List of background papers**

The proper officer will ensure that there is set out in every report a list of those documents (called background papers) relating to the subject matter of the report which:

- (a) disclose any facts or matters on which the report or an important part of the report is based; and
- (b) which have been relied on to a material extent in preparing the report

but this list need not include published works or those documents which disclose exempt or confidential information (as defined in Rule 10) and, in respect of executive reports, the advice of a political advisor.

9.02 **Public inspection of background papers**

The Council will make available for public inspection for four years after the date of the meeting one copy of each of the documents on the list of background papers.

10. **Exclusion of the Public from Meetings**

10.01 **Confidential Information - Requirement to Exclude Public**

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

10.02 **Exempt Information - Discretion to Exclude Public**

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

Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in Article 6.

10.03 **Meaning of Confidential Information**

Confidential information means information given to the Council by a

Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order.

10.04 **Meaning of Exempt Information**

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

Category	Qualification
1. Information relating to any individual	Exempt information if any so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information
2. Information which is likely to reveal the identity of an individual	Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information

Category	Qualification
<p>3. Information relating to the financial or business affairs of any particular person (including the authority holding that information)</p>	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p> <p>Information falling within paragraph 3 is not exempt information by virtue of that paragraph if it is required to be registered under -</p> <ul style="list-style-type: none"> (a) the Companies Act 1985 (b) the Friendly Societies Act 1974 (c) the Friendly Societies Act 1992 (d) the Industrial and Provident Societies Act 1965 to 1978 (e) the Building Societies Act 1986 (f) the Charities Act 1993
<p>4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority</p>	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>
<p>5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings</p>	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>
<p>6. Information which reveals that the authority proposes -</p> <ul style="list-style-type: none"> a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or b) to make an order or direction under any enactment 	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>
<p>7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime</p>	<p>Exempt information if and so long, as in all circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information</p>

Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to Regulation 3 of the Town and Country Planning General Regulations 1992.

11. Exclusion of Access by the Public to Reports

If the proper officer thinks fit, access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 10, the meeting is likely not to be open to the public may be excluded. Such reports will be marked "Not for publication" together with the category of information likely to be disclosed.

12. Application of Rules to the Executive

Rules 12 – 23 apply to the executive and its committees. If the executive or its committees meet to take a key decision then it must also comply with Rules 1 – 10 unless Rule 14 (general exception) or Rule 15 (special urgency) apply. A key decision is as defined in Article 11.03 of this Constitution.

If the executive or its committees meet to discuss a key decision to be taken collectively, with an officer other than a political assistant present, within 28 days of the date according to the forward plan by which it is to be decided, then it must also comply with Rules 1 – 10 unless Rule 15 (general exception) or Rule 16 (special urgency) apply. This requirement does not include meetings whose sole purpose is for officers to brief members.

13. Procedure Before Taking Key Decisions

Subject to Rule 15 (general exception) and Rule 16 (special urgency), a key decision may not be taken unless:

- (a) a notice (called here a forward plan) has been published in connection with the matter in question;
- (b) at least 5 clear days have elapsed since the publication of the forward plan; and
- (c) where the decision is to be taken at a meeting of the executive or its committees, notice of the meeting has been given in accordance with Rule 4 (notice of meetings).

14. The Forward Plan

14.01 Period of forward plan

Forward plans will be prepared by the Leader to cover a period of four months, beginning with the first day of any month. They will be prepared on a monthly basis and subsequent plans will cover a period beginning with the first day of the second month covered in the preceding plan.

14.02 Contents of forward plan

The forward plan will contain matters which the Leader has reason to believe will be the subject of a key decision to be

taken by the executive, a committee of the executive, individual members of the executive or officers in the course of the discharge of an executive function during the period covered by the plan. It will describe the following particulars in so far as the information is available or might reasonably be obtained:

- (a) the matter in respect of which a decision is to be made;
- (b) where the decision taker is an individual, his/her name and title, if any, and where the decision taker is a body, its name and details of membership;
- (c) the date on which, or the period within which, the decision will be taken;
- (d) the identity of the principal groups whom the decision taker proposes to consult before taking the decision;
- (e) the means by which any such consultation is proposed to be undertaken;
- (f) the steps any person might take who wishes to make representations to the executive or decision taker about the matter in respect of which the decision is to be made, and the date by which those steps must be taken; and
- (g) a list of the documents submitted to the decision taker for consideration in relation to the matter.

The forward plan must be published at least 14 days before the start of the period covered. The proper officer will publish once a year a notice in at least one newspaper circulating in the area, stating:

- (a) that key decisions are to be taken on behalf of the Council;
- (b) that a forward plan containing particulars of the matters on which decisions are to be taken will be prepared on a monthly basis;
- (c) that the plan will contain details of the key decisions to be made for the four month period following its publication;
- (d) that each plan will be available for inspection at reasonable hours free of charge at the Council's offices;
- (e) that each plan will contain a list of the documents submitted to the decision takers for consideration in relation to the key decisions on the plan;
- (f) the address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed in the forward plan are available;
- (g) that other documents may be submitted to decision takers;
- (h) the procedure for requesting details of documents (if any)

as they become available; and

- (i) the dates on each month in the following year on which each forward plan will be published and available to the public at the Council's offices.

14.03 Each Forward Plan shall be included on the next agenda for an ordinary meeting of the Council to be issued after the publication of that Forward Plan.

Exempt information need not be included in a forward plan and confidential information cannot be included.

15 **General Exception**

If a matter which is likely to be a key decision has not been included in the forward plan, then subject to Rule 16 (special urgency), the decision may still be taken if:

- (a) the decision must be taken by such a date that it is impracticable to defer the decision until it has been included in the next forward plan and until the start of the first month to which the next forward plan relates;
- (b) the Monitoring Officer has informed the chair of the Overview and Scrutiny Committee, or if there is no such person, each member of that committee in writing, by notice, of the matter in respect of which the decision is to be made;
- (c) the Monitoring Officer has made copies of that notice available to the public at the offices of the Council; and
- (d) at least 5 clear days have elapsed since the Monitoring Officer complied with (a) and (b). Where such a decision is taken collectively, it must be taken in public.

16. **Special Urgency**

If by virtue of the date by which a decision must be taken Rule 15 (general exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the chair of the body making the decision, obtains the agreement of the chair of the Overview and Scrutiny Committee that the taking of the decision cannot be reasonably deferred. If there is no chair of the Overview Scrutiny Committee, or if the chair of the Overview Scrutiny Committee is unable to act, then the agreement of the Mayor or in his/her absence the Deputy Mayor will suffice.

17. **Report to Council**

17.01 **When the Overview and Scrutiny Committee can require a report**

If the Overview and Scrutiny Committee thinks that a key decision has been taken which was not:

- (a) included in the forward plan; or
- (b) the subject of the general exception procedure; or

- (c) the subject of an agreement with the Overview and Scrutiny Committee chair, or the Mayor or Deputy Mayor of the Council under Rule 15;

the committee may require the executive to submit a report to the Council within such reasonable time as the committee specifies. The power to require a report rests with the committee, but is also delegated to the proper officer, who shall require such a report on behalf of the committee when so requested by the chairman or any 5 members. Alternatively the requirement may be raised by resolution passed at a meeting of the Overview and Scrutiny Committee.

17.02 Executive's report to Council

The executive will prepare a report for submission to the next available meeting of the Council. However, if the next meeting of the Council is within 7 days of receipt of the written notice, or the resolution of the committee, then the report may be submitted to the meeting after that. The report to Council will set out particulars of the decision, the individual or body making the decision, and if the Leader is of the opinion that it was not a key decision the reasons for that opinion.

17.03 Quarterly reports on special urgency decisions

In any event the Leader will submit quarterly reports to the Council on the executive decisions taken in the circumstances set out in Rule 16 (special urgency) in the preceding three months. The report will include the number of decisions so taken and a summary of the matters in respect of which those decisions were taken.

18. Record of Decisions

After any meeting of the executive or any of its committees, whether held in public or private, the Monitoring Officer or, where no officer was present, the person presiding at the meeting, will produce a record of every decision taken at that meeting as soon as practicable. The record will include a statement of the reasons for each decision and any alternative options considered and rejected at that meeting.

19. Executive Meetings Relating to Matters which are not Key Decisions

The executive will decide whether meetings relating to matters which are not key decisions will be held in public or private.

20. Notice of Private Meeting of the Executive

Members of the executive or its committees will be entitled to receive five clear working days notice of a meeting to which they are summoned, unless the meeting is convened at shorter notice as a matter of urgency.

21. Decisions by Individual Members of the Executive

21.01 Reports intended to be taken into account

Where an individual member of the executive or an officer receives a report which he/she intends to take into account in making any key decision, then he/she will not make the decision until at least 5 clear days after receipt of that report.

21.02 Provision of copies of reports to Overview and Scrutiny Committee

On giving such a report to an individual decision maker, the person who prepared the report will give a copy of it to the chair of the Overview and Scrutiny Committee as soon as reasonably practicable, and make it available to the public at the same time.

21.03 Record of individual decision

As soon as reasonably practicable after an executive decision has been taken by an individual member of the executive or a key decision has been taken by an officer, he/she will prepare, or in the case of a councillor instruct the Monitoring Officer to prepare, a record of the decision, a statement of the reasons for it and any alternative options considered and rejected. The provisions of Rules 7 and 8 (inspection of documents after meetings) will also apply to the making of decisions by individual members of the executive. This does not require the disclosure of exempt or confidential information or advice from a political or mayor's assistant.

22. Overview and Scrutiny Committee's Access to Documents

22.01 Rights to copies

Subject to Rule 23.2 below, the Overview and Scrutiny Committee (including its sub-committees) will be entitled to copies of any document which is in the possession or control of the executive or its committees and which contains material relating to

- (a) any business transacted at a public or private meeting of the executive or its committees; or
- (b) any decision taken by an individual member of the executive.

22.02 Limit on rights

The Overview and Scrutiny Committee will not be entitled to:

- (a) any document that is in draft form;
- (b) any part of a document that contains exempt or confidential information, unless that information is relevant to an action or decision they are reviewing or scrutinising or intend to scrutinise; or
- (c) the advice of a political adviser.

23. Additional Rights of Access for Members

23.01 Material relating to previous business

All members will be entitled to inspect any document which is in the possession or under the control of the executive or its committees and contains material relating to any business previously transacted at a private meeting unless either (a) or (b) below applies.

(a) It contains exempt information falling within paragraphs 1, 2, 4, 5 and 7 of the categories of exempt information; or

(a) It contains the advice of a political adviser.

23.02 Material relating to key decisions

All members of the Council will be entitled to inspect any document (except those available only in draft form) in the possession or under the control of the executive or its committees which relates to any key decision unless paragraph (a) or (b) above applies.

23.03 Nature of rights

These rights of a member are additional to any other right he/she may have.

Budget and Policy Framework Procedure Rules

Part I - General

1. The framework for executive decisions

The Council will be responsible for the adoption of its budget and policy framework as set out in Article 4. Once a budget or a policy framework is in place, it will be the responsibility of the executive to implement it.

2. Process for developing the framework

2.01 The process by which the Policy Framework shall be developed is:

- (i) The Executive will publicise by including in the Forward Plan a timetable for making proposals to the Council for the adoption of any plan or strategy that forms part of the Policy Framework, and its arrangements for consultation after publication of the initial proposals. The Chairman of the Overview and Scrutiny Committee will also be notified.
- (ii) At the end of the consultation period, the Executive will draw up firm proposals having regard to the responses to the consultation. If the Overview and Scrutiny Committee wishes to respond to the Executive in that consultation process then it may do so. As the Overview and Scrutiny Committee has responsibility for fixing its own work programme, it is open to the Overview and Scrutiny Committee to investigate, research or report in detail with policy recommendations before the end of the consultation period, having particular regard not to duplicate any consultation carried out by the Executive. The Overview and Scrutiny Committee shall report to the Executive on the outcome of its deliberations.
- (iii) The Executive will take any response from the Overview and Scrutiny Committee into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the Executive's response.
- (iv) Once the Executive has approved the firm proposals, it will refer them at the earliest opportunity to the Council.

Budget and performance plan:

- (i) The Executive shall prepare the Budget and Performance Plan.
- (ii) The Executive may, if it wishes, invite views from the Overview and Scrutiny Committee on priorities and suggestions for growth prior to preparation of the budget. The Executive may, if it wishes, invite comment from the Overview and Scrutiny Committee on the draft budget prior to its consideration by Cabinet.
- (iii) Before the 21st February in each financial year the

Leader shall present a draft Budget and Performance Plan to the Cabinet for approval, highlighting budget priorities, growth items and proposed cuts.

- (iv) The Executive shall then consider any comments made on the draft Budget and Performance Plan and present the final drafts to Council for adoption in accordance with the statutory requirements.

02.02 In reaching a decision, the Council will follow the procedure set out in Part II of these Rules.

3. Decisions outside the budget or policy framework

- (a) Subject to the provisions of paragraph 5 (virement) the executive, committees of the executive, individual members of the executive and any officers discharging executive functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by full council, then that decision may only be taken by the Council, subject to 4 below.
- (b) If the executive, committees of the executive, individual members of the executive and any officers want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Financial Officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing budget and/or policy framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the budget and policy framework) shall apply.

4. Urgent decisions outside the budget or policy framework

- (a) The executive, a committee of the executive, an individual member of the executive or officers discharging executive functions may take a decision which is contrary to the Council's policy framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:
 - (i) if it is not practical to convene a quorate meeting of the full Council; and
 - (ii) if the chairman of the Overview and Scrutiny Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council and the consent of the chairman of the Overview and Scrutiny Committee to the decision being taken as a matter

of urgency must be noted on the record of the decision. In the absence of the chairman of the Overview and Scrutiny Committee the consent of the mayor or, in the absence of both, the deputy mayor, will be sufficient.

- (b) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.

5. **Virement**

Steps taken by the executive, a committee of the executive an individual member of the executive or officers discharging executive functions to implement Council policy shall not exceed those budgets allocated to each budget head. However, such bodies or individuals shall be entitled to vire across budget heads in accordance with Financial Regulations.

6. **Call-in of decisions outside the budget or policy framework**

- (a) Where a scrutiny committee is of the opinion that an executive decision is, or if made would be, contrary to the policy framework, or contrary to or not wholly in accordance with the Council's budget, then it shall seek advice from the Monitoring Officer and/or Chief Financial Officer.
- (b) In respect of functions which are the responsibility of the executive, the Monitoring Officer's report and/or Chief Financial Officer's report shall be to the executive with a copy to every member of the Council. Regardless of whether the decision is delegated or not, the executive must meet to decide what action to take in respect of the Monitoring Officer's report and to prepare a report to Council in the event that the Monitoring Officer or the Chief Financial Officer conclude that the decision was a departure, and to the scrutiny committee if the Monitoring Officer or the Chief Financial Officer conclude that the decision was not a departure.
- (c) If the decision has yet to be made, or has been made but not yet implemented, and the advice from the Monitoring Officer and/or the Chief Financial Officer is that the decision is or would be contrary to the policy framework or contrary to or not wholly in accordance with the budget, the scrutiny committee may request the Mayor to call an extraordinary meeting of the Council to consider the matter. In such cases, no further action will be taken in respect of the decision or its implementation until the Council has met and considered the matter. At the meeting it will receive a report of the decision or proposals and the advice of the Monitoring Officer and/or the Chief Financial Officer. The Council may either:
 - (i) endorse a decision or proposal of the executive decision taker as falling within the existing budget and policy framework. In this case no further action is

required, save that the decision of the Council be minuted and circulated to all councillors in the normal way;

Or

(i) amend

(ii)

(iii)

(iv)

(v) the council's financial regulations or policy concerned to encompass the decision or proposal of the body or individual responsible for that executive function and agree to the decision with immediate effect. In this case, no further action is required save that the decision of the Council be minuted and circulated to all councillors in the normal way;

Or

(iii) where the Council accepts that the decision or proposal is contrary to the policy framework or contrary to or not wholly in accordance with the budget, and does not amend the existing framework to accommodate it, require the executive to reconsider the matter in accordance with the advice of either the Monitoring Officer/Chief Financial Officer.

PART II - Dispute Resolution Procedure

1. Where the executive has submitted a draft policy or strategy to the council for its consideration and, following consideration of that draft policy or strategy, the council has any objections to it, the council must take the action set out in paragraph 2.
2. Before the council:
 - (a) amends the draft policy or strategy;
 - (b) approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any policy or strategy (whether or not in the form of a draft) of which any part is required to be so submitted; or
 - (c) adopts (with or without modification) the policy or strategy,

It must inform the Leader of any objections which it has to the draft policy or strategy and must give to him instructions requiring the executive to reconsider, in the light of those objections, the draft policy or strategy submitted to it.
3. Where the council gives instructions in accordance with paragraph 2 it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the executive within which the Leader may:
 - (a) submit a revision of the draft policy or strategy as amended by the executive (the "revised draft policy or strategy") with the executive's reasons for any amendments made to the draft policy or strategy, to the council for the council's consideration; or
 - (b) inform the council of any disagreement that the executive has with any of the council's objections and the executive's reasons for any such disagreement.
4. When the period specified by the council, referred to in paragraph 3 has expired, the council must, when:
 - (a) amending the draft policy or strategy or, if there is one, the revised draft policy or strategy;
 - (b) approving, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any policy or strategy (whether or not in the form of a draft or revised draft) of which any part is required to be so submitted; or
 - (c) adopting (with or without modification) the policy or strategy,

take into account any amendments made to the draft policy or strategy that are included in any revised draft policy or strategy, the executive's reasons for those amendments, any disagreement that the executive has with any of the council's objections and the executive's reasons for that disagreement, which the Leader submitted to the council, or informed the council of, within the period specified.
5. Subject to paragraph 10, where, before 8 February in any financial

year, the executive submits to the council for its consideration in relation to the following financial year:

- (a) estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;
- (b) estimates of other amounts to be used for the purposes of such a calculation;
- (c) estimates of such a calculation; or
- (d) amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

and following consideration of those estimates or amounts the Council has any objections to them; it must take the action set out in paragraph 6.

6. Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in paragraph 5(a) , or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of any objections which it has to the executive's estimates or amounts and must give to him instructions requiring the executive to reconsider, in the light of those objections, those estimates and amounts in accordance with the council's requirements.
7. Where the council gives instructions in accordance with paragraph 6, it must specify a period of at least five working days beginning on the day after the date on which the Leader receives the instructions on behalf of the executive within which the Leader may:
 - (a) submit a revision of the estimates or amounts as amended by the executive ("revised estimates or amounts"), which have been reconsidered in accordance with the council's requirements, with the executive's reasons for any amendments made to the estimates or amounts, to the council for the council's consideration; or
 - (b) inform the council of any disagreement that the executive has with any of the council's objections and the executive's reasons for any such disagreement.
8. When the period specified by the council, referred to in paragraph 7, has expired, the council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in paragraph 5(a), or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:
 - (a) any amendments to the estimates or amounts that are included in any revised estimates or amounts;
 - (b) the executive's reasons for those amendments;
 - (c) any disagreement that the executive has with any of the

council's objections; and

(d) the executive's reasons for that disagreement, which the Leader submitted to the council, or informed the council of, within the period specified.

9. Paragraphs 5 to 8 shall not apply in relation to:

- (a) calculations or substitute calculations which an authority is required to make in accordance with section 52I, 52J, 52T, or 52U of the Local Government Finance Act 1992; and
- (b) amounts stated in a precept issued to give effect to calculations or substitute calculations made in accordance with section 52J or 52U of that Act.

1. **What will be the number and arrangements for the Overview and Scrutiny Committee?**

1.01 The Council will appoint an Overview and Scrutiny Committee as set out in Article 6. Such committee may appoint working groups to carry out a detailed assessment of particular topics for report back to them. It is anticipated that such groups would be appointed for a specific task, on the expiry of which they shall cease to exist.

1.02 The Overview and Scrutiny Committee will be responsible for setting its own work programme and in doing so they shall take into account resources available and the wishes of members on that committee who are not members of the largest political group on the Council.

2. **Who may sit on overview and scrutiny committees?**

The council can appoint any councillor except a member of the Executive to be a member of a scrutiny committee. However, no member may be involved in scrutinising a decision in which he/she has been directly involved.

3. **Meetings of the overview and scrutiny committees**

The Council may determine a cycle of meetings for the Overview and Scrutiny Committee. The Chairman or in their absence Vice-Chairman may change the date or cancel meetings or call additional meetings as they consider necessary to deal with the Committee's work programme.

4. **Quorum**

The quorum for an Overview and Scrutiny Committee shall be as set out for committees in the procedural Standing Orders in Part 4 of this Constitution.

5. Agenda items

Any member of the Overview Scrutiny Committee or sub-committee shall be entitled to give notice to the Chief Executive that he/she wishes an item relevant to the functions of the committee or sub-committee to be included on the agenda for the next available meeting of the committee or sub-committee. On receipt of such a request the Chief Executive will advise the Chairman of the committee or sub-committee and ensure that it is included on the next available agenda.

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

6. Policy review and development

- (a) In relation to the development of the Council's policy on any matter, the Overview and Scrutiny Committee or sub-committees may make proposals to the executive for developments in so far as they relate to matters within their terms of reference.
- (b) The Overview and Scrutiny Committees may hold enquiries and investigate the available options for future direction in policy development. They may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that they reasonably consider necessary to inform their deliberations. They may ask witnesses to attend to address them on any matter under consideration.

7. Reports from the Overview and Scrutiny Committee

- (a) Once it has formed recommendations on proposals for policy development, the Overview and Scrutiny Committee will prepare a formal report and submit it to the Chief Executive for consideration by the executive (if the proposals are consistent with the existing budgetary and policy framework), or to the Council as appropriate (e.g. if the recommendation would require a departure from or a change to the agreed budget and policy framework).
- (b) If the Overview and Scrutiny Committee cannot agree on one single final report to the Council or executive as appropriate, then up to one minority report may be prepared by members of the Committee and submitted for consideration by the Council or executive with the majority report.
- (c) The Council or executive shall consider the report of the Overview and Scrutiny Committee at the earliest practicable opportunity.

8. Rights of the Overview and Scrutiny Committee members to documents

- (a) Within its terms of reference in addition to their rights as councillors, members of the Overview and Scrutiny Committees have the additional right to documents, and to notice of meetings as set out in the Access to Information Procedure Rules in Part 4 of this Constitution.
- (b) Nothing in this paragraph prevents more detailed liaison between the executive and the Overview Scrutiny Committee as appropriate depending on the particular matter under consideration.

9. Members and officers giving account

- (a) Within its terms of reference the Overview and Scrutiny Committee or sub-committee may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role it may require any member of the executive and/or any senior officer to attend before it to explain in relation to matters within their remit:

- (i) any particular decision or series of decisions and/or;
- (ii) the extent to which the actions taken implement Council policy.

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

- (b) Where any member or officer is required to attend the Overview and Scrutiny committee under this provision, the chairman of that committee will inform the Chief Executive. The Chief Executive shall inform the member or officer in writing giving at least 5 working days notice of the meeting at which he/she is required to attend. The notice will state the nature of the item on which he/she is required to attend to give account and whether any papers are required to be produced for the committee. Where the account to be given to the committee will require the production of a report, then the member or officer concerned will be given sufficient notice to allow for preparation of that documentation.
- (c) Where, in exceptional circumstances, the member or officer is unable to attend on the required date, then the scrutiny committee shall in consultation with the member or officer arrange an alternative date for attendance.

10. Attendance by others

The Overview and Scrutiny Committee may invite people other than those people referred to in paragraph 9 above to address it, discuss issues of local concern and/or answer questions. It may for example wish to hear from residents, stakeholders and members and officers in other parts of the public sector and shall invite such people to attend.

11. **The party whip**

When considering any matter in respect of which a member of the Overview and Scrutiny Committee is subject to instructions from his party or group to how he should speak or vote (“the party whip”) the member must declare the existence of the whip and the nature of it before the commencement of the committee’s deliberations on the matter. The declaration, and the detail of the whipping arrangements, shall be recorded in the minutes of the meeting.

12. **Procedure at Overview and Scrutiny Committee meetings**

- (a) Overview and Scrutiny Committee and sub-committees shall consider the following business:
 - (i) minutes of the last meeting;
 - (ii) declarations of interest (including whipping declarations);
 - (iii) consideration of any matter referred to the committee for a decision in relation to call in of a decision;
 - (iv) responses of the executive to reports of the scrutiny committee; and
 - (v) the business otherwise set out on the agenda for the meeting.
- (b) Where the Overview and Scrutiny Committee conducts investigations (e.g. with a view to policy development), the committee may also ask people to attend to give evidence at committee meetings which are to be conducted in accordance with the following principles:
 - (i) that the investigation be conducted fairly and all members of the committee be given the opportunity to ask questions of attendees, and to contribute and speak;
 - (ii) that those assisting the committee by giving evidence be treated with respect and courtesy; and
 - (iii) that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.
- (c) Following any investigation or review, the committee/sub-committee shall prepare a report, for submission to the executive and/or Council as appropriate and shall make its report and findings public.

Contract Standing Orders

1. PURPOSE

1.01 The purpose of these Contract Standing Orders is to:

- achieve value for money, by achieving the optimum combination of whole life costs and quality of outcome;
- ensure consistency with the highest standards of integrity;
- ensure fairness and transparency in allocating public contracts;
- comply with legal requirements, including European Union (EU) treaty principles;
- ensure that non-commercial considerations do not influence any contracting decision;
- prevent fraud and corruption.

2. COMPLIANCE

2.01 Every relevant contract made by or on behalf of the Council shall comply with EU Treaties and with any relevant Directives of the EU for the time being in force in the United Kingdom and these Standing Orders.

2.02 A Waiver from any of the following provisions of these Standing Orders may be made by direction of the Council where it is satisfied that the exemption is justified in special circumstances. A Waiver cannot be given where the Contract value exceeds the EU thresholds set out in the Public Contracts Regulations 2015 (“the 2015 Regulations”).

2.03 A record of any Waiver made in accordance with Standing Order 2.02 shall be made in the Minutes of the Council.

2.04 Where the Council acts as agent for another organisation or authority then if that principal shall so require, the contractual and tendering procedures of the principal shall be used in substitution, in whole or in part, for these Standing Orders.

3. RELEVANT CONTRACTS

3.01 All relevant contracts must comply with these Contract Standing Orders. A relevant contract is any arrangement by, or on behalf of the Council to procure the carrying out of works or provision of supplies or services. This includes arrangements for:

- purchasing goods or materials;
- the hiring, renting or leasing of goods or equipment;
- executing works, including building or engineering works;
- purchasing of any services, including consultancy services;
- concession contracts (e.g. operating commercial ventures at the Council’s premises such as vending machines).

3.02 Relevant contracts do not include:

- contracts of employment with individual employees;
- land and property transactions (sales, purchases, leases, licenses etc.). These are governed by the Standing Orders for Dealings in Land. The delivery of services associated with land and property transactions are covered by these Contract Standing Orders;
- The payment of grants to third parties. However contracts with voluntary organisations for supplies, services or works are covered by these Contract Standing Orders;
- Treasury management deals for borrowing or investment which will be dealt with in accordance with the approved Treasury Strategy.

4. COMPETITION REQUIREMENTS

- 4.01 The nature of the procurement process to be undertaken will depend on the estimated total value of the contract.
- 4.02 When establishing the total value of the contract, the whole life costs and any possible extension periods which may be awarded must be included. Contracts must not be artificially under or over-estimated or divided into separate contracts to avoid the application of the Contract Standing Orders or EU procurement rules.
- 4.03 Where the estimated total value of the proposed contract is within the values in the first column of the table below, the procurement process in the second column must be followed unless a waiver under Standing Order 2.02 has been granted or an exception under Standing Order 30 applied.

Total Value	Procurement Procedure
Up to £10,000	<p>A price shall be agreed or the method of ascertaining the cost shall be agreed in writing.</p> <p>Quotations may be obtained where the Director considers it desirable in the interests of economy or efficient management. In such cases at least 3 quotations shall be obtained in accordance with Standing Order 7 unless exceptional circumstances apply.</p>
Between £10,000 and £50,000	At least 3 written quotations must be obtained by the Director in accordance with Standing Order 7.

£50,000 to EU thresholds	Tenders shall be invited in accordance with Standing Orders 8 to 11 or a Framework Agreement used in accordance with Standing Order 12.
Above EU thresholds set out on the 2015 Regulations	Tenders shall be invited in accordance with the procedures set out in the 2015 Regulations.

5. FUNDING

- 5.01 In accordance with the Council's Financial Regulations, an order must not be placed or a formal process for letting a contract commenced unless expenditure has been included in approved capital or revenue budgets or the approval of the Chief Financial Officer has been obtained.

6. SOFT MARKET TESTING

- 6.01 Potential suppliers may be consulted, prior to the issue of an invitation to tender or request for quotation, in general terms about the nature, level, standard and packaging of the supplies, services or works and other relevant matters, so as to best ensure competition and value for money, provided that this does not distort competition or prejudice any potential supplier.
- 6.02 When carrying out soft market testing, it must be made clear to potential suppliers that they will not receive preferential treatment in the tender/quotation process and that there is no guarantee that any procurement exercise will take place.

7. QUOTATIONS

- 7.01 When seeking quotations the Director must ensure that:
- a) The selection process used to determine which suppliers will be invited to quote is fair and equitable;
 - b) The Request for Quotation specifies the supplies, services or works to be procured;
 - c) The Request for Quotation states that the Council is not bound to accept any quotation;
 - d) All suppliers invited to quote are issued with the same information at the same time and subject to the same conditions. Any supplementary information shall be given on the same basis;

- e) All suppliers invited to quote are given an adequate period of time to prepare and submit a proper quotation;
- f) All quotations are opened together after the specified return date; and
- g) A written record of the reasons is made on file if the lowest price is not accepted.

7.02 If the value of the contract exceeds £25,000 and the Director considers that the contract opportunity should be advertised, the advertisement must be published in accordance with the 2015 Regulations.

7.03 Where it is not possible to obtain 3 quotations, due to lack of suitable firms prepared to quote or for some other valid reason, the Director shall report the reason together with the quotation to be accepted to the Chairman of the Overview and Scrutiny Committee. Such notification shall then be reported to the Overview and Scrutiny Committee for information.

8. OPEN PROCEDURE

8.01 The open procedure can be authorised by the Director. It is a one stage procedure where the contract is advertised and anyone interested can submit a tender.

8.02 Public Notice shall be given on the website specified in the 2015 Regulations and, where the Director considers it appropriate to generate additional interest in the contract in such newspaper, journal or website as he/she sees fit.

The Public Notice shall:

- a) specify details of the contract into which the Council wishes to enter;
- b) invite tenders for the contract;
- c) state how the tenderers should respond;
- d) state the date and time (being not less than 14 calendar days from the date of the publication of the notice) when tenders must be received by the Council.

9. RESTRICTED PROCEDURE

9.01 The restricted procedure can be authorised by the Director. It is a two stage procedure where firstly the contract is advertised and anyone who expressed an interest must complete a pre-qualification questionnaire. These are then evaluated and a number of potential suppliers are shortlisted and invited to tender. This procedure can only be used for works contracts where the value of the works exceeds the threshold in the 2015 Regulations for services. This procedure cannot be used for procuring supplies or services.

9.02 Public Notice shall be given on the website specified in the 2015 Regulations and, where the Director considers it appropriate to generate additional interest in the contract in such newspaper, journal or website as he/she sees fit.

The Public Notice shall:

- a) specify details of the contract into which the Council wishes to enter;
- b) invite persons or bodies interested to express an interest;
- c) state how the tenderers should respond; and
- d) state the date and time (being not less than 14 calendar days from the date of the publication of the notice) when such expressions of interest must be received by the Council.

9.03 After the expiry of the period specified in the Public Notice all the persons or bodies who applied for permission to tender will be assessed to establish that they have sound:

- Economic and financial standing; and
 - Technical ability and capacity to fulfil the requirements of the Council,
- and met any other criteria relevant to the contract.

Invitations to tender for the contract shall be sent to:

- a) not less than 3 of the persons or bodies who applied for permission to tender and are considered suitable.
- b) where fewer than 3 persons or bodies have applied or are considered suitable, all those persons or bodies which are considered suitable.

10. COMPETITIVE PROCEDURE WITH NEGOTIATION

10.01 This procedure can only be used with the approval of the Monitoring Officer where the nature of the contract is such that specifications cannot be drawn up with sufficient precision to enable the contract to be awarded using the open procedure. This is especially useful for 'intellectual' services.

10.02 Public Notice shall be given on the website specified in the 2015 Regulations and, where the Director considers it appropriate to generate additional interest in the contract in such newspaper, journal or website as he/she sees fit.

The Public Notice shall:

- a) specify details of the contract into which the Council wishes to enter;
- b) specify that the particular procedure permitted by this Standing Order will be used;

- c) invite tenders for the contract;
 - d) state how the tenderers should respond;
 - e) state the date and time (being not less than 14 calendar days from the date of the publication of the notice) when tenders must be received by the Council.
- 10.03 The Director, or an officer or officers nominated by him/her, shall negotiate with those persons or bodies which have submitted a tender with a view to improving their content.
- 10.04 The negotiation may take place in successive stages in order to reduce the number of tenders to be negotiated by applying the award criteria.
- 10.05 When the negotiations are concluded, the Director will invite final tenders from those persons or bodies which remain party to the negotiations.

11. COMPETITIVE DIALOGUE

- 11.01 This procedure can only be used with the approval of the Monitoring Officer where the Council is unable to define the design, technical, financial or legal elements of the project. It is really intended for complex procurement. Competitive dialogue is a two stage procedure where firstly the contract is advertised and anyone who expressed an interest must complete a pre-qualification questionnaire. These are then evaluated and a number of potential suppliers are shortlisted and invited to enter into a dialogue with the Council. This procedure can only be used for works contracts where the value of the works exceeds the threshold in the 2015 Regulations for services and cannot be used for procuring supplies or services.
- 11.02 Public Notice shall be given on any appropriate website and, where the Director considers it appropriate to generate additional interest in the contract in such newspaper, journal or website as he/she sees fit.

The Public Notice shall:

- a) specify details of the contract into which the Council wishes to enter;
- b) define the Council's needs and requirements in the notice, or by reference to a descriptive document to be supplied;
- c) specify that the particular procedure permitted by this Standing Order will be used;
- d) invite persons or bodies interested to apply for permission to take part in the competitive dialogue;
- e) state how the tenderers should respond;
- f) specify minimum requirements to be met by all tenderers;
- g) specify the contract award criteria; and
- h) state the date and time (being not less than 14 calendar days from the date of the publication of the notice) when such

expressions of interest must be received by the Council.

11.03 After the expiry of the period specified in the Public Notice all the persons or bodies who applied for permission to take part will be assessed to establish that they have sound:

- Economic and financial standing; and
- Technical ability and capacity to fulfil the requirements of the Council,

and meet any other criteria relevant to the Contract.

Invitations to take part in the competitive dialogue shall be sent to:

- a) not less than 3 of the persons, or bodies, who applied for permission to take part, and are considered suitable.
- b) where fewer than 3 persons, or bodies, have applied or are considered suitable, all those persons, or bodies, which are considered suitable.

11.04 The Director, or an officer, or officers nominated by him/her, shall then enter into a dialogue with those persons or bodies, chosen pursuant to Standing Order 11.03 to identify and develop one or more suitable alternatives capable of meeting the Council's requirements and on the basis of which the persons, or bodies chosen are invited to tender.

11.05 During the course of the dialogue, information shall be provided by the Council to all participants equally and information provided to the Council by any participant shall be treated as confidential information unless the provider shall have given permission for its disclosure.

11.06 The Council will continue with this dialogue until it is able to identify a solution or solutions which are capable of meeting its procurement need.

11.07 When the Council has concluded the dialogue it will inform the participants and request them to submit their final tenders on the basis of the solution, or solutions, presented and specified during the dialogue. The tenders shall contain all the elements required and necessary for the performance of the contract.

11.08 The Council shall choose the most economically advantageous tender assessed on the basis of the award criteria laid down in the Public Notice and invitation to tender. The approval of the Cabinet Member and Chair of the Overview and Scrutiny Committee shall be obtained before awarding the Contract. Such approval shall then be reported to the Overview and Scrutiny Committee for information.

11.09 The tenderer identified as having submitted the most economically advantageous tender may be asked to clarify aspects of the tender or confirm commitments contained in the tender provided that this shall

not have the effect of modifying substantial aspects of the tender and does not distort competition, or, cause discrimination.

12. FRAMEWORK AGREEMENTS

- 12.01 A Framework Agreement is a general term for an agreement with providers that sets out terms and conditions under which specific purchases (call offs) can be made throughout the term of the agreement without the need to enter into a separate full procurement process.
- 12.02 Framework agreements procured by other local authorities, public bodies or purchasing consortiums may only be used where the Council is either a named participant or where the Council is considered a recognisable class of contracting authority under the terms of the framework agreement.
- 12.03 Contracts based on framework agreements may only be awarded by either:
- i) applying the terms laid down in the framework agreement (where such terms are sufficiently precise to cover the particular call-off), or
 - ii) where the terms laid down in the framework agreement are not sufficiently precise for the particular call off, by holding a mini-competition in accordance with the procedure set out in the framework agreement or if there is no such procedure as follows:
 - (a) inviting the persons or bodies within the framework agreement to submit written tenders;
 - (b) stating a date and time (being not less than 14 calendar days) when tenders must be received by the Council; and
 - (c) awarding the contract to the tenderer who has submitted the best tender on the basis of the award criteria set out in the specification of the framework agreement.

13. EVALUATION CRITERIA

- 13.01 The evaluation criteria must be defined and clearly set out in the invitation to tender. Such criteria must be that which is best suited to the procurement exercise and designed to secure value for money.

The following criteria are available:

- lowest price where payment is made by the Council
- highest price where payment is to be received by the Council (e.g. in respect of concession contracts), or
- most economically advantageous tender (MEAT) where considerations other than price apply.

The invitation to tender must clearly outline the criteria which will be used to evaluate tenders received and, in the case of MEAT, the overall weightings to be attached to each element.

- 13.02 In the latter case, the Council will use criteria linked to the subject matter of the contract to determine that an offer is the most economically advantageous for the Council. Such criteria may include: price, service, quality, technical merit, aesthetic and functional characteristics, accessibility, environmental characteristics, running costs, cost effectiveness, safety, organisational qualification and experience of staff assigned to perform the contract, after-sales service, technical assistance, delivery process, delivery date, delivery period and period of completion.
- 13.03 Issues that are important to the Council in terms of meeting corporate objectives can be used to evaluate bids. The criteria can include for example: sustainability considerations, support for the local economy and social value. All criteria must relate to the subject matter of the contract and must be objectively quantifiable and non-discriminatory. The criteria must not include non-commercial considerations; matters which discriminate against suppliers from the EU or matters which are anti-competitive.

14. SPECIFICATIONS AND STANDARDS

- 14.01 All tenders shall, except to the extent that the Council in a particular case or specified categories of contract otherwise decides, be based on a definite specification that describes the Council's requirements in sufficient detail to enable the submission of competitive bids.
- 14.02 Where an appropriate British Standard Specification or British Standards Code of Practice or European equivalent is current at the date of the tender, every contract shall require that all goods and materials used or supplied, and all the workmanship shall be at least of the standard required by the appropriate British Standards Specification or Code of Practice or European equivalent.

15. SUBMISSION OF TENDERS

- 15.01 Where an invitation to tender is issued, every invitation shall state that no Tender will be considered unless it is enclosed in a plain sealed envelope which shall bear the word "Tender", followed by the subject to which it relates and the closing date for tender, but no other name or mark indicating the sender. Tenderers shall be notified accordingly.
- 15.02 Such envelope shall be addressed to the Director of Organisational Development and Democratic Services.
- 15.03 The tenders shall be kept in the custody of the Director of Organisational Development and Democratic Services until the time and date specified for their opening.

- 15.04 No tender received after the time and date specified in the invitation to tender shall be accepted or considered. Any late tender must be returned promptly to the tenderer and may be opened to enable this to be done.
- 15.05 Standing Orders 15.01 to 15.03 shall not apply if the tender process is conducted electronically through an e-Tendering System approved by the Council for this purpose. Tenders must be submitted via the approved system and in accordance with instructions given in the invitation to tenders.

16. OPENING

- 16.01 Tenders received shall be opened one at a time by a representative of the Director who invited the tenders and at least one officer representing the Monitoring Officer or the Chief Financial Officer.
- 16.02 The relevant Cabinet Member, Chair of the Overview and Scrutiny Committee, the Chief Financial Officer and the Monitoring Officer must be notified of the time and place appointed for the opening and any Member of the Council who wishes may be present at the opening of tenders.
- 16.03 All tenders received shall be recorded by the Monitoring Officer.

17. ALTERATIONS AND CLARIFICATION OF TENDERS

- 17.01 Where examination of tenders reveals errors or discrepancies which would affect the tender figure(s) in an otherwise successful tender, the tenderer is to be given details of such errors and discrepancies and accorded an opportunity of confirming or withdrawing his/her offer. If the tenderer withdraws, the next tender in competitive order is to be examined and reassessed on the basis of the award criteria laid down in the invitation to tender.
- 17.02 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, must not be carried out in a way which distorts competition, particularly with regard to price.
- 17.03 Where post tender negotiations result in a fundamental change to the specification or contract terms, the contract must not be awarded and must be re-tendered.
- 17.04 If post tender negotiations are necessary during an open tender or restricted procedure, then such negotiations shall only be undertaken with the tenderer who has previously been identified as submitting the

best tender. Tendered rates and prices shall only be adjusted in respect of a corresponding adjustment in the scope or quality included in the invitation to tender.

18. EVALUATION AND ACCEPTANCE OF TENDERS

- 18.01 Tenders must be evaluated in accordance with the evaluation criteria set out in the invitation to tender. Where the criteria is other than the lowest or highest price, a written record must be kept of the evaluation with scores for each tenderer on each of the stated evaluation criteria.
- 18.02 Where a tender is within the budgetary provision previously approved by the Council, the Director may accept the lowest tender, if payment is to be made by the Council or the highest tender if payment is to be made to the Council or the most economically advantageous tender.
- 18.03 Tenders not within the budgetary provision shall be referred to Cabinet and Council (if necessary) for approval.
- 18.04 Where tenders are evaluated on lowest or highest price, a tender other than the lowest tender (if payment is to be made by the Council) or the highest tender (if payment is to be received by the Council) may only be accepted by authority of the appropriate Cabinet Member.

19. NOMINATED SUB-CONTRACTORS AND SUPPLIERS

- 19.01 Where a sub-contractor or supplier is to be nominated to a main-contractor, the following provisions shall have effect:
- i) Where the estimated amount of the sub-contract or the estimated value of the goods to be supplied by the nominated supplier does not exceed £50,000 then, unless the appropriate Director is of the opinion in respect of any particular nomination that it is not reasonably practicable to obtain competitive tenders, quotations shall be invited for the nomination in accordance with Standing Order 4.03 and 7.
 - ii) Where the estimated amount of the sub-contract or the estimated value of the goods to be supplied by the nominated supplier exceeds £50,000 then, unless the Director determines in respect of any particular nomination that it is not reasonably practicable to obtain competitive tenders, tenders shall be invited for the nomination in accordance with these Standing Orders.
 - iii) The provisions of Standing Orders 13 to 18 shall apply to tenders received under this Standing Order.

20. CONTRACTS TO BE IN WRITING

- 20.01 Every contract which exceeds £10,000 in value or amount shall:
- a) be in writing and shall be executed in accordance with Article 12.04 of the Articles of the Constitution, and
 - b) specify the supplies or services to be provided or the work to be carried out; the price to be paid together with a statement as to the amount of any discount(s) or other deduction(s); the period(s) within which the contract is to be performed and such other conditions and terms as may be agreed between the parties.
- 20.02 All contracts exceeding £10,000 in value or amount must be concluded formally in writing before the supplies, services or works are delivered or commenced, except in exceptional circumstances and then only with the written consent of the Monitoring Officer.

21. CANCELLATIONS

- 21.01 There shall be inserted in every written contract, a clause empowering the Council to cancel the contract and to recover from the contractor the amount of any loss resulting from such cancellation:
- a) if the contractor shall have offered, promised or given a financial or other advantage to another person; and either the contractor intends the advantage to induce a person to perform improperly, or reward a person for the improper performance of a relevant function or activity in relation to obtaining or execution of the contract or any other contract with the Council; or the contractor knows or believes that the acceptance of the advantage would itself constitute the improper performance of the relevant function or activity in relation to the obtaining or execution of the contract or any other contract with the Council; or
 - b) if the like acts shall have been done by any person associated with the contractor or acting on his/her behalf (whether with or without the knowledge of the contractor); or
 - c) if in relation to any contract with the Council the contractor or any person associated with him/her or acting on his/her behalf shall have committed any offence under the Bribery Act 2010, or shall have given any fee or reward the receipt of which is an offence under Section 117(2) of the Local Government Act 1972.

22. ASSIGNMENTS

- 22.01 Every contract which is estimated to exceed £10,000 in value or amount must contain a clause prohibiting the contractor from transferring, assigning or sub-letting the contract without the written permission of the Council.

23. PAYMENTS

- 23.01 Every contract which is estimated to exceed £25,000 in value or amount must contain a clause requiring payment of undisputed invoices within 30 days as required by the 2015 Regulations.

24. LIQUIDATED DAMAGES

- 24.01 Every contract which is estimated to exceed £50,000 in value or amount and provides for completion by a particular date or series of dates shall provide for liquidated damages of an amount to be determined in each case by the Director where he is able to arrive at a realistic estimate of the loss likely to be incurred in the event of the non-performance of the contract in the time specified.

25. PERFORMANCE BONDS

- 25.01 Where a contract is estimated to exceed £100,000 in value or amount and is for the execution of works or for the provision of supplies or services by a particular date or series of dates the Director concerned shall consider whether the Council should require security for its due performance and shall in consultation with the Monitoring Officer and the Chief Financial Officer either specify in the Conditions of Tender the nature and amount of the security to be given or certify that no such security is necessary. In the former event, the Council shall require and take a bond or other sufficient security for the due performance of the contract.

26. ENGAGEMENT OF CONSULTANTS

- 26.01 It shall be a condition of the engagement of the services of any architect or of any engineer, surveyor or other consultant (not being an officer of the Council) who is to be responsible to the Council for the supervision of a contract on its behalf, that in relation to the contract he/she shall:
- i) comply with these Standing Orders as though he/she were a Director subject to the modification that the procedure to be followed in inviting and opening tenders shall be approved in advance by the appropriate Director;
 - ii) at any time during the carrying out of the contract, produce to the appropriate Director, or his/her representative, on request, all the records maintained by him/her in relation to the contract; and
 - iii) on completion of the contract, transmit all such records to the appropriate Director.

27. PUBLICATION OF INFORMATION ABOUT CONTRACTS AWARDED

27.01 Where a contract which is estimated to exceed £25,000 in value or amount is awarded, information about the contract must be published in accordance with the 2015 Regulations.

28. REGISTER OF CONTRACTS

28.01 A register of all contracts exceeding £50,000 entered into by the Council following an invitation to tender or under the Framework Agreement shall be kept and maintained by the Chief Financial Officer. Such register shall for each contract, specify the name of the contractor, the works to be executed or the supplies or services to be provided and the contract value. The register shall be open to inspection by any Member of the Council.

29. AVOIDANCE OF CORRUPTION

29.01 Any officer who has a conflict of interest or any material interest, financial or otherwise, which may affect the procurement process must declare that interest to the Director and shall take no further part in the procurement process, unless the Monitoring Officer gives written approval to that officer's continued involvement.

29.02 No officer shall accept any gift, fee, hospitality or reward in return for favourable treatment in a procurement exercise.

30. EXCEPTIONS

30.01 Where a proposed contract exceeds the EU thresholds, the procedures set out in the 2015 Regulations apply and none of the following exemptions can be relied upon.

30.02 Nothing in these Standing Orders shall require tenders to be invited if:

- i) in the case of contracts for supplies:
 - a) the goods or materials are patented, of such special character or are sold only at a fixed price and no reasonably satisfactory alternative is available;
 - b) the prices of the goods or materials are wholly controlled by trade organisations or Government order and no reasonably satisfactory alternative is available;
 - c) for other reasons, there would be no genuine competition;
- ii) the work to be executed or the supplies or services to be provided constitute an extension of an existing contract (such an extension to be approved by the Cabinet Member responsible). In the case of contracts which exceed the EU thresholds, no extension is permitted unless the option to do so was included in the original OJEU notice and contract documentation. In the case of other contracts, no extension is permitted where it will result in the value of the contract exceeding the EU thresholds;

- iii) the contract is for works, supplies or services certified by the Director concerned as being required so urgently as not to permit the invitation of tenders such certificate to be reported to the appropriate Cabinet Member;
- iv) the contract relates to repairs to or the supply of parts for existing proprietary machinery or plant;
- v) the supplies are purchased at a public auction;
- vi) the execution of works or provision of supplies or services involves specialist or unique knowledge or skills or are only available from one organisation;
- vii) tenders have been invited on behalf of any consortium, collaboration or similar body of which the Council is a member, provided that such tenders shall have been invited in accordance with the provisions of the Contract Standing Orders or Contract Procedure Rules of the said body or lead authority;
- viii) the contract is funded by time limited grant funding from an external body and the time limitations will not allow a full tender process to be completed. Any contract award must be approved by the Cabinet Member responsible and must not contravene the grant funding conditions;
- ix) the contract relates to shared service or collaborative arrangements with other public bodies, including other local authorities;
- x) the contract is to be awarded to an entity controlled by the Council.

30.03 A written record must be kept on the file where tenders are not invited in reliance on an exception set out in Standing Order 30.02.

Standing Orders for Dealings with Land

The following shall apply to all disposals of land other than the sale of houses to sitting tenants and the sale of land or houses to Housing Associations. In the case of any disposal of land or houses to a Housing Association the disposal shall be effected in such manner and for such consideration as the Executive may determine, subject to any necessary Ministerial or other consent first being obtained.

The executive shall consult with the Chairman of the Overview and Scrutiny

Committee and ward members before making any decision to dispose of any land or property other than the sale of council houses to sitting tenants pursuant to the right to buy.

A. General

1.
 - (i) In case of any vacant houses which the Executive decides to sell the property shall be advertised for sale on the open market at a price assessed by the Director or any Agent appointed to handle the sale as the value of the property.
 - (ii) Subject to A(4) and A(5) below, if a price less than the advertised price is offered for the property the highest price so offered shall be accepted by the relevant Cabinet Member.
 - (iii) If the advertised or a higher price is offered, the highest offer so made shall be accepted by the relevant Cabinet Member, subject to A(4) and A(5) below.
2. In the case of the disposal of real property other than a house or houses and where the Director assesses the value of such property to be less than £20,000 he shall adopt such method of disposal as appears to him to be appropriate in the circumstances.
3. In the case of the disposal of any other real property the sale shall be effected by tender in accordance with the following tender procedure unless the relevant Cabinet member authorises a different method of disposal after consultation with the Chairman of the Overview and Scrutiny Committee.
4. No binding contract for the disposal of real property pursuant to these Standing Orders shall be entered into unless the Director or other Agent dealing with the sale on behalf of the Council shall have certified that the consideration for the disposal is the best that can reasonably be obtained or unless the relevant Cabinet member shall have dispensed with this requirement, following consideration of a report by the Director and consultation with the Chairman of the Overview and Scrutiny Committee and after any necessary Ministerial consent shall have been obtained.
5. No tender for, or offer to purchase, any real property shall be accepted unless the relevant Cabinet member and the Director are satisfied that the tenderer or offer or will be able to complete the transaction within a reasonable time from acceptance.

B. Tender Procedure

1. The Director shall prepare written sales particulars including full details of the property and of any rights or obligations by which the parties to the transaction are intended to be bound.
2. The Director shall advertise the intention to dispose of the property in at least one local newspaper and in cases where the property is estimated to have a value in excess of £100,000 in such one or more National Journals as the Director considers to be appropriate; in each such case the advertisement shall state the nature of the property and the date, being not less than fourteen days after the date of the advertisement, by which parties wishing to be invited to tender should advise the Director of their interest.
3.
 - (i) The Director shall invite tenders from all of the persons who stated that they wished to be invited to tender.
 - (ii) If more than six persons indicate a desire to tender for the property the Director in consultation with the Chief Executive and the relevant Cabinet member may if he sees fit select not more than six persons to be invited to tender in which case he shall issue an invitation to tender to the six persons so selected and the reasons for such selection shall be recorded.
4. Every invitation to tender shall state that all tenders must be submitted in a plain sealed envelope which shall be supplied by the Director bearing the words "Tender For" followed by the description of the property to which it relates, and shall state that no other name or any mark indicating the identity of the sender shall be placed on the envelope. Each such envelope shall be addressed impersonally to the Director of Organisational Development and Democratic Services and all tenders received shall be kept securely in the custody of the Director of Organisational Development and Democratic Services until the time and date specified for their opening.
5. Any tender received otherwise than in accordance with 4 above or after the deadline for the receipt of tenders shall not be accepted but shall be opened to ascertain the identity of the tenderer and shall be return promptly to such tenderer without any details of such tender being revealed to any party.
6. All tenders properly received shall be opened at one time in the presence of not less than two Officers of the Corporate Services Department. The relevant Cabinet member, the Monitoring Officer and the Chairman of the Overview and Scrutiny Committee shall be notified of the time and place appointed for the opening of tenders and any Member of the Council who wishes may be present at the opening. All tenders received shall be recorded, and the record shall be signed by the Officers and Members present at the tender opening.
7. The relevant Director shall be authorised to accept the highest tender in any case. In any case where the relevant Director considers that the highest tender should not be accepted he shall forthwith submit a report on the matter to the relevant Cabinet member which may authorise acceptance of another tender if it is satisfied for good reason that such lower tender should be accepted in which case the reasons for any such decision shall be given and any necessary Ministerial consent shall be obtained before a binding contract for the sale shall be entered into.
8. If no tender is accepted the relevant Cabinet member shall consider whether and if so what further efforts should be made to dispose of any property and the Director shall prepare a report on the matter for his consideration accordingly.
9. Any Valuer, Estate Agent or other external adviser retained at any time by the Council to deal with the disposal of real property on behalf of the Council shall be required to observe these Standing Orders.

Purchases

All purchases of land and/or buildings shall be the subject of a valuation report by the District Valuer or the Council's Director.

Financial Regulations

Financial Regulations provide the framework for managing the authority's financial affairs. They apply to every member and officer of the authority and anyone acting on its behalf.

The Chief Financial Officer is responsible for the financial administration and stewardship of the Authority under:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 1996

As such, the Council's accounting system, form of accounts and supporting accounting records shall be determined by the Chief Financial Officer.

The Chief Financial Officer in consultation with the Chief Executive and Directors is responsible for the preparation and maintenance of financial procedures. He shall also provide Directors with appropriate financial information to enable Budgets to be monitored effectively.

Directors are responsible for controlling and monitoring income and expenditure in their area. All necessary action should be taken to avoid exceeding any financial allocation.

In the absence of a Director, the Chief Executive and/or the other Directors have authority to deal with matters within the responsibility of the Director.

Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the authority's financial regulations.

The Financial Regulations themselves are classified into the following five categories:

- Financial Management
- Financial Planning
- Risk Management & Control of Resources
- Systems & Procedures
- External Arrangements

The Chief Financial Officer is responsible for writing and updating these Financial Regulations.

Financial Management

Financial Management Standards

Why is this 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.

Key controls

- 1.01 The key controls and control objectives for financial management standards are:
 - (a) their promotion throughout the authority
 - (c) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the executive and full council.

Responsibilities of the Chief Financial Officer

- 1.03 To ensure the proper administration of the financial affairs of the authority.
- 1.04 To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit Regulations 1996.
- 1.05 To prepare and publish the audited accounts of the authority for each financial year, in accordance with the statutory timetable and with the requirement for the full council to approve the statement of accounts before 30 September.
- 1.06 To set the financial management standards and to monitor compliance with them.
- 1.07 To ensure proper professional practices are adhered to and throughout the authority.
- 1.08 To advise on the key strategic controls necessary to secure sound financial management.
- 1.09 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of Directors

- 1.10 To promote the financial management standards set by the Chief Financial Officer in their departments and to monitor adherence to the standards and practices, liaising as necessary with the Chief Financial Officer.
- 1.11 To promote sound financial practices in relation to the standards, performance and development of staff in their departments.

Managing Expenditure

Scheme of virement

Why is this important?

- 1.12 The scheme of virement is intended to enable the executive, 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.

Key controls

- 1.13 Key controls for the scheme of virement are:
 - (a) it is administered by the Chief Financial Officer within guidelines set by the full council. Any variation from this scheme requires the approval of the full council
 - (b) the overall budget is agreed by the executive and approved by the full council. Directors and those subsequently delegated are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the approved estimates report.

- (c) virement does not create additional overall budget liability. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

Responsibilities of the Chief Financial Officer

- 1.14 To agree jointly with the relevant Director virements subject to the following provisions.

Virement

Virements within the revenue and capital budgets may be made subject to the following provisos:-

- a) that no significant change in policy is involved;
- b) that no continuing future commitment is made.
- c) that virements from all budgets are consulted with the Chief Financial Officer and also virements from staffing budgets to non staffing budgets need to have additional consultation with the Corporate Director responsible for Personnel.

Such virements shall be subject to the following financial limits:

- a) Amounts of £50,000 or less may be approved by the appropriate portfolio holder.
- b) Amounts of £50,000 or above shall be considered by Cabinet.

All other amounts or items which fall outside the criteria above shall be determined by the Council.

Responsibilities of Directors

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

- vire between budgets of different portfolio holders
- vire between budgets managed by different Directors

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

Treatment of year-end balances

Why is this important?

1.17 The rules below cover arrangements for the transfer of resources between accounting years, ie a carry-forward. For the purposes of this scheme, a budget heading is a line in the estimates report.

Key controls

1.18 Appropriate accounting procedures are in operation to ensure that carried-forward totals are correct.

Responsibilities of the Chief Financial Officer

1.19 To administer the scheme of carry-forward within the guidelines approved by the full council.

1.20 To report all overspendings and underspendings on service estimates carried forward to the executive and to the full council.

Responsibilities of Directors

1.21 Net underspendings on service estimates under the control of Directors may be carried forward:

(A) With regard to contractually committed schedules

- with the approval of the Chief Financial Officer;

(B) With regard to non-committed schemes

- with the approval of the Chief Financial Officer for schemes where the underspending does not exceed £10,000 for revenue budgets or £50,000 for a capital scheme and otherwise with the approval of the full Council and;
- following a report to the Portfolio Holder on the source of the underspending or additional income and the proposed application of those resources.

Accounting Policies

Why is this important?

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

Key controls

1.23 The key controls for accounting policies are:

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

Responsibilities of the Chief Financial Officer

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

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

Responsibilities of Directors

- 1.25 To adhere to the accounting policies and guidelines approved by the Chief Financial Officer.

Accounting Records and Returns

Why is this important?

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

Key controls

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

Responsibilities of the Chief Financial Officer

- 1.28 To determine the accounting procedures and records for the authority. Where these are maintained outside the finance department, the Chief Financial Officer should consult the Director concerned.
- 1.29 To arrange for the compilation of all accounts and accounting records under his direction.
- 1.30 To comply with the following principles when allocating accounting duties:
- (a) separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them.

- (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- 1.31 To ensure that all claims for funds including grants are made by the due date.
- 1.32 To administer the authority's arrangements for under- and overspendings to be carried forward to the following financial year.
- 1.33 To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule.

Responsibilities of Directors

- 1.34 To consult and obtain the approval of the Chief Financial Officer before making any changes to accounting records and procedures.
- 1.35 To comply with the principles outlined in paragraph 1.30 when allocating accounting duties.
- 1.36 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.
- 1.37 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Chief Financial Officer.

The Annual Statement of Accounts

Why is this important?

- 1.38 The authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The full council is responsible for approving the statutory annual statement of accounts.

Key controls

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

Responsibilities of the Chief Financial Officer

- 1.40 To select suitable accounting policies and to apply them consistently.
- 1.41 To make judgements and estimates that are reasonable and prudent.
- 1.42 To comply with the SORP.

- 1.43 To sign and date the statement of accounts, stating that it presents fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March.
- 1.44 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

Responsibilities of Directors

- 1.45 To comply with accounting guidance provided by the Chief Financial Officer and to supply the Chief Financial Officer with information when required.

Financial Planning

Performance Plans

Why is this important?

2.01 Each local authority has a statutory responsibility to publish various performance plans, including best value performance plans, crime reduction strategies, community care plans, etc. The purpose of performance plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. The authority is required to publish annually the best value performance plan (BVPP), which summarises its performance and position in relation to best value. The BVPP is a key element in the authority's programme of engaging with the public. External audit is required to report on whether the authority has complied with statutory requirements in respect of the preparation and publication of the BVPP.

Key controls

- 2.02 The key controls for performance plans are:
- (a) to ensure that all relevant plans are produced and that they are consistent
 - (b) to produce plans in accordance with statutory requirements
 - (c) to meet the timetables set
 - (d) to ensure that all performance information is accurate, complete and up to date
 - (e) to provide improvement targets which are meaningful, realistic and challenging.

Responsibilities of the Chief Financial Officer

- 2.03 To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.
- 2.04 To contribute to the development of corporate and service targets and objectives and performance information.

Responsibilities of Directors

- 2.05 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.
- 2.06 To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

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

Budgeting

Format of the budget

Why is this important?

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

Key controls

- 2.10 The key controls for the budget format are:
- (a) the format complies with all legal requirements
 - (b) the format complies with CIPFA's Best Value Accounting – Code of Practice
 - (c) the format reflects the accountabilities of service delivery.

Responsibilities of the Chief Financial Officer

- 2.11 To advise the executive on the format of the budget that is approved by the full council.

Responsibilities of Directors

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

Revenue budget preparation, monitoring and control

Why is this important?

- 2.13 Budget management ensures that once the budget has been approved by the full council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.14 By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity. The authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the authority in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it.

2.15 For the purposes of budgetary control, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the scheme of delegation.

Key controls

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

Responsibilities of the Chief Financial Officer

- 2.17 To establish an appropriate framework of budgetary management and control that ensures that:
- (a) budget management is exercised within annual cash limits unless the full council agrees otherwise
 - (b) each Director has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
 - (c) expenditure is committed only against an approved budget head
 - (d) all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations
 - (e) each cost centre has a single named manager, determined by the relevant Director. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure
 - (f) significant variances from approved budgets are investigated and reported by budget managers regularly.
- 2.18 To administer the authority's scheme of virement.

- 2.19 To submit reports to the executive and to the full council, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under his or her control as soon as is practicable.
- 2.20 To prepare and submit reports on the authority's projected income and expenditure compared with the budget on a regular basis.

Responsibilities of Directors

- 2.21 To maintain budgetary control within their departments, in adherence to the principles in 2.17, and to ensure that all income and expenditure are properly recorded and accounted for.
- 2.22 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Director (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.
- 2.23 To ensure that spending remains within the service's overall cash limit, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.
- 2.24 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.
- 2.25 To prepare and submit to the executive reports on the service's projected expenditure compared with its budget, in consultation with the Chief Financial Officer.
- 2.26 To ensure prior approval by the full council or executive (as appropriate) for new proposals, of whatever amount, that:
 - (a) create financial commitments in future years.
 - (b) change existing policies, initiate new policies or cease existing policies.
 - (c) materially extend or reduce the authority's services.
- 2.27 To ensure compliance with the scheme of virement.
- 2.28 To agree with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Director level of service activity.

Budgets and medium-term planning

Why is this important?

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

Key controls

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

Responsibilities of Chief Financial Officer

- 2.33 To advise the full council on executive proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.
- 2.34 To prepare and submit reports on budget prospects for the executive, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- 2.35 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the full council, and after consultation with the executive and Directors.

- 2.36 To prepare and submit reports to the executive on the aggregate spending plans of departments and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied.
- 2.37 To advise on the medium-term implications of spending decisions.
- 2.38 To encourage the best use of resources and value for money by working with Directors to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

Responsibilities of Directors

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

Resource allocation

Why is this important?

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

Key controls

2.45 The key controls for resource allocation are:

- (a) resources are acquired in accordance with the law and using an approved authorisation process
- (b) resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for
- (c) resources are securely held for use when required
- (d) resources are used with the minimum level of waste, inefficiency or loss for other reasons.

Responsibilities of the Chief Financial Officer

2.46 To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

2.47 To assist in the allocation of resources to budget managers.

Responsibilities of Directors

2.48 To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.

2.49 To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

Capital programmes

Why is this important?

2.50 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

2.51 The Government places strict controls on the financing capacity of the authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

Key controls

2.52 The key controls for capital programmes are:

- (a) specific approval by the full council for the programme of capital expenditure.
- (b) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project.
- (c) proposals for improvements and alterations to buildings must be approved by the appropriate Director.
- (d) schedules for individual schemes within the overall budget approved by the full council.
- (e) the development and implementation of asset management plans.
- (f) accountability for each proposal is accepted by a named manager.
- (g) monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Chief Financial Officer

2.53 To prepare capital estimates jointly with Directors and to report them to the executive for approval.

2.54 To prepare and submit reports to the executive on the projected income, expenditure and resources compared with the approved estimates.

2.55 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Chief Financial Officer, having regard to government regulations and accounting requirements.

2.56 To obtain authorisation from the executive for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount.

Responsibilities of Directors

2.57 To comply with guidance concerning capital schemes and controls issued by the Chief Financial Officer.

2.58 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Financial Officer.

- 2.59 To prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the Chief Financial Officer.
- 2.60 To ensure that adequate records are maintained for all capital contracts.
- 2.61 To proceed with projects only when there is adequate provision in the capital programme.
- 2.62 To prepare and submit reports, jointly with the Chief Financial Officer, to the executive, of any variation in contract costs greater than the approved limits.
- 2.63 To prepare and submit reports, jointly with the Chief Financial Officer, to the Executive, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- 2.64 To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Financial Officer and, if applicable, approval of the scheme through the capital programme.
- 2.65 To consult with the Chief Financial Officer and to seek Portfolio approval where the Director proposes to bid for supplementary credit approvals to be issued by government departments to support expenditure that has not been included in the current year's capital programme.

Maintenance of Reserves

Why is this important?

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

Key controls

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

Responsibilities of the Director

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

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

Risk Management and Control of Resources

Risk Management

Why is this important?

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

Key controls

- 3.03 The key controls for risk management are:
- (a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the authority
 - (b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis
 - (c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives
 - (d) provision is made for losses that might result from the risks that remain
 - (e) procedures are in place to investigate claims within required timescales
 - (f) acceptable levels of risk are determined and insured against where appropriate
 - (g) the authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the Chief Financial Officer

- 3.04 To prepare and promote the authority's risk management policy statement.

- 3.05 To develop risk management controls in conjunction with other Directors.
- 3.06 To include all appropriate employees of the authority in a suitable fidelity guarantee insurance.
- 3.07 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where this falls within their area of responsibility.

Responsibilities of Directors

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

Internal Controls

Why is this important?

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

- (c) compliance with laws and regulations
- (d) risk management.

Key controls

- 3.18 The key controls and control objectives for internal control systems are:
- (a) key controls should be reviewed on a regular basis and the authority should make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively.
 - (b) managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
 - (c) financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.
 - (d) an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guideline Guidance for Internal Auditors, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.

Responsibilities of the Chief Financial Officer

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

Responsibilities of Directors

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

Audit Requirements

Internal audit

Why is this important?

- 3.23 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations 1996 (SI 1996/590), regulation 5, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems”.
- 3.24 Accordingly, internal audit is an independent and objective appraisal function established by the authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Key controls

- 3.25 The key controls for internal audit are:
- (a) that it is independent in its planning and operation
 - (b) the Manager of Resource Services has direct access to the Chief Executive, all levels of management and directly to elected members
 - (c) the internal auditors comply with the Auditing Practices Board’s guideline Guidance for Internal Auditors, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.

Responsibilities of the Chief Executive

- 3.26 To ensure that internal auditors have the authority to:
- (a) access authority premises at reasonable times
 - (b) access all assets, records, documents, correspondence and control systems
 - (c) receive any information and explanation considered necessary concerning any matter under consideration
 - (d) require any employee of the authority to account for cash, stores or any other authority asset under his or her control
 - (e) access records belonging to third parties, such as contractors, when required
 - (f) directly access the Chief Executive, the executive and audit committee.

Responsibility of the Chief Financial Officer

- 3.27 To approve the strategic and annual audit plans prepared by the Manager of Resource Services, which take account of the characteristics and relative risks of the activities involved.
- 3.28 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

Responsibilities of Directors

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

External audit

Why is this important?

- 3.35 The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each local authority in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.
- 3.36 The basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. 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 audited body's corporate governance arrangements
 - (b) the audited body's financial statements
 - (c) aspects of the audited body'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 BVPP.
- 3.37 The authority's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the authority and its income and expenditure for the year in question and complies with the legal requirements.

Key controls

- 3.38 External auditors are appointed by the Audit Commission, which prepares a code of audit practice, which external auditors follow when carrying out their audits.

Responsibilities of the Chief Executive

- 3.39 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

Responsibilities of the Chief Financial Officer

- 3.40 To ensure there is effective liaison between external and internal audit.
- 3.41 To work with the external auditor and advise the full council, executive and Directors on their responsibilities in relation to external audit.

Responsibilities of Directors

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

Preventing Fraud and Corruption

Why is it this important?

- 3.44 The authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the authority.
- 3.45 The authority's expectation of propriety and accountability is that members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 3.46 The authority also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the authority with integrity and without thought or actions involving fraud and corruption.

Key controls

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

Responsibilities of the Chief Financial Officer

- 3.48 To develop and maintain an anti-fraud policy.
- 3.49 To maintain adequate and effective internal control arrangements.

- 3.50 To ensure that all suspected irregularities are reported to the Manager of Resource Services.

Responsibilities of Directors

- 3.51 To ensure that all suspected irregularities are reported to the Manager of Resource Services.
- 3.52 To instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 3.53 To ensure that where financial impropriety is discovered, the Chief Financial Officer is informed who, where sufficient evidence exists to believe that a criminal offence may have been committed, may contact the police for a criminal investigation to be considered.
- 3.54 To maintain a register of interests.

Assets

Security

Why is this important?

- 3.55 The authority holds assets in the form of property, vehicles, equipment, furniture and other items worth 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.

Key controls

- 3.56 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:
- (a) resources are used only for the purposes of the authority and are properly accounted for
 - (b) resources are available for use when required
 - (c) resources no longer required are disposed of in accordance with the law and the regulations of the authority so as to maximise benefits
 - (d) an asset register is maintained for the authority, assets are recorded when they are acquired by the authority and this record is updated as changes occur with respect to the location and condition of the asset
 - (e) all staff are aware of their responsibilities with regard to safeguarding the authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation

- (f) all staff are aware of their responsibilities with regard to safeguarding the security of the authority's computer systems, including maintaining restricted access to the information held on them and compliance with the authority's computer and internet security policies.

Responsibilities of the Chief Financial Officer

- 3.57 To ensure that an asset register is maintained in accordance with good practice for all fixed assets. The function of the asset register is to provide the authority with information about fixed assets so that they are:
- safeguarded
 - used efficiently and effectively
 - adequately maintained.
- 3.58 To receive the information required for accounting, costing and financial records from each Director.
- 3.59 To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

Responsibilities of Directors

- 3.60 The appropriate Director shall maintain a property database in a form approved by the Chief Financial Officer for all properties, plant and machinery and moveable assets currently owned or used by the authority. Any use of property by a department or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- 3.61 To ensure that lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Monitoring Officer is executed.
- 3.62 To ensure the proper security of all buildings and other assets under their control.
- 3.63 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a report by the relevant Director.
- 3.64 To pass title deeds to the Director of Organisational Development and Democratic Services who is responsible for custody of all title deeds.
- 3.65 To ensure that no authority asset is subject to personal use by an employee without proper authority.
- 3.66 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority.

- 3.67 To ensure that the department maintains a register of moveable assets in accordance with arrangements defined by the Chief Financial Officer.
- 3.68 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 3.69 To consult the Chief Financial Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 3.70 To ensure cash holdings on premises are kept to a minimum.
- 3.71 To ensure that keys to safes and similar receptacles are held securely; loss of any such keys must be reported to the Chief Financial Officer as soon as possible.
- 3.72 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Financial Officer.
- 3.73 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.

Inventories

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

Stocks and stores

- 3.77 To make arrangements for the care and custody of stocks and stores in the department.
- 3.78 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.
- 3.79 To investigate and remove from the authority's records (ie write off) discrepancies as necessary, up to a value of £1,000. All other amounts to be agreed with the Chief Financial Officer.

- 3.80 To authorise or write off disposal of redundant stocks and equipment. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, unless, following consultation with the Chief Financial Officer, it is decided otherwise.
- 3.81 To seek portfolio holder approval to the write-off of redundant stocks and equipment in excess of a £10,000.

Intellectual property

Why is this important?

- 3.82 Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property.
- 3.83 Certain activities undertaken within the authority may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

Key controls

- 3.84 In the event that the authority decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the authority's approved intellectual property procedures.

Responsibilities of Directors

- 3.85 To ensure that controls are in place to ensure that staff do not carry out private work in council time and that staff are aware of an employer's rights with regard to intellectual property.

Responsibilities of the Chief Financial Officer

- 3.86 To develop and disseminate good practice through the authority's intellectual property procedures.

Asset disposal

Why is this important?

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

Key controls

- 3.88 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the authority, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.

- 3.89 Procedures protect staff involved in the disposal from accusations of personal gain.

Responsibilities of the Chief Financial Officer

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

Responsibilities of Directors

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

Treasury Management

Why is this important?

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

Key controls

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

Responsibilities of the Chief Financial Officer – treasury management and banking

- 3.96 To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury management policy statement and strategy.
- 3.97 To report four times a year on treasury management activities to the executive.
- 3.98 To operate such bank accounts as are considered necessary.

Responsibilities of Directors – treasury management and banking

- 3.99 To follow the instructions on banking issued by the Chief Financial Officer.

Responsibilities of the Chief Financial Officer – investments and borrowing

- 3.100 To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by the full council.
- 3.101 To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate Director.
- 3.102 To effect all borrowings in the name of the authority.
- 3.103 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of Directors – investments and borrowing

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

Responsibilities of Directors – trust funds and funds held for third parties

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

Responsibilities of the Chief Financial Officer – imprest accounts

- 3.108 To provide employees of the authority with cash or bank imprest accounts to meet minor expenditure on behalf of the authority and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount.
- 3.109 To determine the petty cash limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.
- 3.110 To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

Responsibilities of Directors – imprest accounts

- 3.111 To ensure that employees operating an imprest account:

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

Staffing

Why is this important?

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

Key controls

3.113 The key controls for staffing are:

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

Responsibilities of the Chief Financial Officer

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

3.115 To act as an advisor to Directors on areas such as National Insurance and pension contributions, as appropriate.

Responsibilities of Directors

- 3.116 To produce an annual staffing budget.
- 3.117 To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- 3.118 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- 3.119 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.
- 3.120 To ensure that the Director responsible for Personnel and the Chief Financial Officer are immediately informed if the staffing budget is likely to be materially over- or underspent.

Financial Systems and Procedures

General

Why is this important?

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

Key controls

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

Responsibilities of the Chief Financial Officer

- 4.04 To make arrangements for the proper administration of the authority's financial affairs.
- 4.05 Issue advice, guidance and procedures for officers and others acting on the authority's behalf
- Determine the accounting systems, form of accounts and supporting financial records
 - Establish arrangements for audit of the authority's financial affairs
 - Approve any new financial systems to be introduced
 - Approve any changes to be made to existing financial systems.

Responsibilities of Directors

- 4.06 To ensure that accounting records are properly maintained and held securely.

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

Delegation in respect of Procurement

	Maximum Value	
	Place Orders	Authorise Payments
	£	£
Chief Executive and Chief Financial Officer	Unlimited	Unlimited
Directors	1,000,000	1,000,000
Principal Officers	100,000	100,000
Senior Officers	50,000	50,000
Others	As agreed with the Chief Financial Officer but not to exceed £50,000	

In authorising orders and payments officers should also ensure they have complied with other relevant financial controls ie ensuring adequate budget pension, a separation of duties etc.

- 4.15 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Chief Financial Officer, together with any subsequent variations.
- 4.16 To ensure, in consultation with the Director responsible for IT, that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 4.17 To ensure that, in consultation with Director responsible for IT, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 4.18 To ensure that relevant standards and guidelines for computer systems issued by the Director responsible for IT are observed.
- 4.19 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 4.20 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:

- (a) only software legally acquired and installed by the authority is used on its computers
- (b) staff are aware of legislative provisions
- (c) in developing systems, due regard is given to the issue of intellectual property rights.

4.21 To ensure that effective contingency arrangements for all operational systems exist.

Income and Expenditure

Income

Why is this important?

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

Key controls

4.23 The key controls for income are:

- (a) all income due to the authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
- (b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- (c) all money received by an employee on behalf of the authority is paid without delay to the Chief Financial Officer or, as he or she directs, to the authority's bank and properly recorded. The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received.
- (d) effective action is taken to pursue non-payment within defined timescales
- (e) formal approval for debt write-off is obtained in line with the following limits;
 - Chief Financial Officer up to £5,000
 - Chief Executive up to £25,000
 - Cabinet - All other amounts
- (f) appropriate write-off action is taken within defined timescales

- (g) appropriate accounting adjustments are made following write-off action
- (h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule
- (i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities of the Chief Financial Officer

- 4.24 To agree arrangements for the collection of all income due to the authority and to approve the procedures, systems and documentation for its collection.
- 4.25 To order and supply to departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- 4.26 To ensure that appropriate accounting adjustments are made following write-off action.

Responsibilities of the Directors

- 4.27 To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- 4.28 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 4.29 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 4.30 To hold securely receipts, tickets and other records of income for the appropriate period.
- 4.31 To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- 4.32 To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
- 4.33 To ensure income is not used to cash personal cheques or other payments.

- 4.34 To supply the Chief Financial Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Financial Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this, Directors should use established performance management systems to monitor recovery of income and flag up areas of concern to the Chief Financial Officer. Directors have a responsibility to assist the Chief Financial Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.
- 4.35 To keep a record of every transfer of money between employees of the authority. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 4.36 To recommend to the Chief Financial Officer all debts to be written off. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- 4.37 To notify the Chief Financial Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Financial Officer and not later than 30 April.

Ordering and paying for work, goods and services

Why is this important?

- 4.38 Public money should be spent with demonstrable probity and in accordance with the authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the authority's code of practice on tenders and contracts.

General

- 4.39 Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority, in accordance with appropriate codes of conduct.
- 4.40 Official orders must be in a form approved by the Chief Financial Officer. Official orders must be issued for all work, goods or services to be supplied to the authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Chief Financial Officer.

- 4.41 Standard terms and conditions must not be varied without the prior approval of the Chief Financial Officer.
- 4.42 Apart from petty cash the normal method of payment from the authority shall be by cheque or other instrument or approved method, drawn on the authority's bank account or by the Chief Financial Officer. The use of direct debit shall require the prior agreement of the Chief Financial Officer.
- 4.43 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

Key controls

- 4.44 The key controls for ordering and paying for work, goods and services are:
- (a) all goods and services are ordered only by appropriate persons and are correctly recorded
 - (b) all goods and services shall be ordered in accordance with the authority's code of practice for tenders and contracts unless they are purchased from sources within the authority
 - (c) goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order
 - (d) payments are not made unless goods have been received by the authority to the correct price, quantity and quality standards
 - (e) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method
 - (f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule
 - (g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected
 - (h) in addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

Responsibilities of the Chief Financial Officer

- 4.45 To ensure that all the authority's financial systems and procedures are sound and properly administered.
- 4.46 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 4.47 To approve the form of official orders and associated terms and conditions.

- 4.48 To make payments from the authority's funds on the appropriate authorisation that the expenditure has been duly incurred in accordance with financial regulations.
- 4.49 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- 4.50 To make payments to contractors on the certificate of the appropriate officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 4.51 To provide advice and encouragement on making payments by the most economical means.
- 4.52 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

Responsibilities of Directors

- 4.53 To ensure that unique pre-numbered official orders are used for all goods and services.
- 4.54 To ensure that orders are only used for goods and services provided to the authority. Individuals must not use official orders to obtain goods or services for their private use.
- 4.55 To ensure that only those staff authorised by him or her sign orders and to maintain an up-to-date list of such authorised staff, including specimen signatures identifying in each case the limits of their authority. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the authority's approach to procurement. Value for money should always be achieved.
- 4.56 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.
- 4.57 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
 - (a) receipt of goods or services
 - (b) that the invoice has not previously been paid

- (c) that expenditure has been properly incurred and is within budget provision
- (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
- (e) correct accounting treatment of tax
- (f) that the invoice is correctly coded
- (g) that discounts have been taken where available
- (h) that appropriate entries will be made in accounting records.

- 4.58 To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.
- 4.59 To ensure that the department maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Financial Officer.
- 4.60 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice. Any instances of these being rendered should be reported to the Manager of Resources and that the photocopy/fax should be signed by the appropriate Director certifying that the image is a true and bona fide copy of the original invoice.
- 4.61 To encourage suppliers of goods and services to receive payment by the most economical means for the authority. It is essential, however, that payments made by direct debit have the prior approval of the Chief Financial Officer.
- 4.62 To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, which are in line with best value principles and contained in the authority's code of practice for tenders and contracts.
- 4.63 To ensure that employees are aware of the national code of conduct for local government employees (summarised in the procedures and conditions of employment manual).
- 4.64 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Financial Officer. This is because of the potential impact on the authority's borrowing powers, to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

4.65 To notify the Chief Financial Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Financial Officer and, in any case, not later than 30 April.

4.66 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Financial Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

4.67 Variations and extra work;

- Subject to the provisions of the contract in each case every extra or variation shall be authorised in writing by the responsible officer. Any individual extra or variation, the estimated cost of which exceeds £5,000 shall be reported to the Executive as soon as practicable.
- Any addition, omission or substitution which in the opinion of the supervising officer will significantly alter the previously approved scheme shall first be authorised by the appropriate Director.
- If the actual expenditure on any contract at any time exceeds the amount of the accepted tender plus agreed amount of £5,000 or more than 5% whichever is the higher, the responsible officer shall, in conjunction with the Chief Financial Officer, report to the Executive giving salient particulars and an estimate of the amended final cost. Further reports on such contracts shall be made at appropriate intervals with regard to further variations, and after final payment has been made.
- Where the Council acts as agent for another organisation or authority then if that principal shall so require, the contractual and tendering procedures of the principal shall be used in substitution, in whole or in part, for this Regulation.

4.68 Final Certificates;

- Before the certificate for final payment is issued on completion of a contract, the Director shall examine the contractor's final account together with such other relevant documents as may be necessary.

- In the context of this Financial Regulation final payment shall be regarded as being the instalment which is due to be paid on completion of the work and not the release of retention at the completion of the maintenance period.

4.69 Contracts Register;

- Where a revenue or capital contract exceeds £50,000 per annum or provides for payment to be made by instalments, the Director responsible shall notify the Chief Financial Officer who shall arrange for the keeping of a Contracts Register to show the state of accounts on each contract between the Council and the Contractor.

4.70 To notify the Chief Financial Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

4.71 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule provided jointly by the Chief Financial Officer and Monitoring Officer.

Payments to employees and members

Why is this important?

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

Key controls

4.73 The key controls for payments to employees and members are:

(a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to;

- starters
- leavers
- variations
- enhancements

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

(b) frequent reconciliation of payroll expenditure against approved budget and bank account

- (c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (d) that Inland Revenue regulations are complied with.

Responsibilities of the Chief Financial Officer

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

Responsibilities of Directors

- 4.80 To ensure appointments are made in accordance with the regulations of the authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- 4.81 To notify the Director responsible for Personnel of all appointments, terminations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Director responsible for Personnel.
- 4.82 To ensure that adequate and effective systems and procedures are operated, so that:
 - payments are only authorised to bona fide employees
 - payments are only made where there is a valid entitlement
 - conditions and contracts of employment are correctly applied
 - employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
- 4.83 To send an up-to-date list of the names of officers authorised to sign records to the Director responsible for Personnel, together with specimen signatures. The Chief Financial Officer should have signatures of personnel officers and officers authorised to sign timesheets and claims.

- 4.84 To ensure that payroll transactions are processed only through the payroll system. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Financial Officer.
- 4.85 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the Chief Financial Officer is informed where appropriate.
- 4.86 To ensure that the Chief Financial Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- 4.87 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

Responsibilities of members

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

Taxation

Why is this important?

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

Key controls

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

Responsibilities of the Chief Financial Officer

- 4.91 To complete all Inland Revenue returns regarding PAYE.

- 4.92 To complete a monthly return of VAT inputs and outputs to HM Customs and Excise.
- 4.93 To provide details to the Inland Revenue regarding the construction industry tax deduction scheme.
- 4.94 To maintain up-to-date guidance for authority employees on taxation issues in the accounting manual and the tax manual.

Responsibilities of Directors

- 4.95 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Customs and Excise regulations.
- 4.96 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- 4.97 To ensure that all persons employed by the authority are added to the authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.
- 4.98 To follow the guidance on taxation issued by the finance director in the authority's accounting manual and VAT manual.

Trading Accounts and Business Units

Why is this important?

- 4.99 Trading accounts and business units have become more important as local authorities have developed a more commercial culture. Under best value, authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost. They are also required to disclose the results of significant trading operations in the BVPP.

Responsibilities of the Chief Financial Officer

- 4.100 To advise on the establishment and operation of trading accounts and business units.

Responsibilities of Directors

- 4.101 To consult with the Chief Financial Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the authority. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

- 4.102 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.
- 4.103 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.
- 4.104 To ensure that each business unit prepares an annual business plan.

External Arrangements

Partnerships

Why is this important?

5.01 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive Leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

5.02 Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

General

5.03 The main reasons for entering into a partnership are:

- (a) the desire to find new ways to share risk
- (b) the ability to access new resources
- (c) to provide new and better ways of delivering services
- (d) to forge new relationships.

5.04 A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project

or

- (b) a body whose nature or status give it a right or obligation to support the project.

5.05 Partners participate in projects by:

- (a) acting as a project deliverer or sponsor, solely or in concert with others
- (b) acting as a project funder or part funder
- (c) being the beneficiary group of the activity undertaken in a project.

5.06 Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives
- (c) be open about any conflict of interests that might arise

- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project.

Key controls

5.07 The key controls for authority partners are:

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

Responsibilities of Chief Financial Officer

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

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

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

5.10 To ensure that the accounting arrangements are satisfactory.

5.11 To maintain a register of all contracts entered into with external bodies.

Responsibilities of Directors

5.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Executive.

5.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.

- 5.14 To ensure that all agreements and arrangements are properly documented.
- 5.15 To provide appropriate information to the Chief Financial Officer to enable a note to be entered into the authority's statement of accounts concerning material items.

External Funding

Why is this important?

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

Key controls

- 5.17 The key controls for external funding are:
 - (a) to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood
 - (b) to ensure that funds are acquired only to meet the priorities approved in the policy framework by the full council
 - (c) to ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements.

Responsibilities of the Chief Financial Officer

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

Responsibilities of Directors

- 5.21 To ensure that all claims for funds are made by the due date.

- 5.22 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

Work for Third Parties

Why is this important?

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

Key controls

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

Responsibilities of Chief Financial Officer

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

Responsibilities of Directors

- 5.26 To ensure that the approval of the executive is obtained before any negotiations are concluded to work for third parties.
- 5.27 To ensure that appropriate insurance arrangements are made in consultation with the Chief Financial Officer
- 5.28 To ensure that the authority is not put at risk from any bad debts.
- 5.29 To ensure that no contract is subsidised by the authority.
- 5.30 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 5.31 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 5.32 To ensure that such contracts do not impact adversely upon the services provided for the authority.
- 5.33 To ensure that all contracts are properly documented.

5.34 To provide appropriate information to the Chief Financial Officer to enable a note to be entered into the statement of accounts.

4. **Standing Orders Relating to Staff**

1. **Definitions**

In this Part:

“the 1989 Act” means the Local Government and Housing Act 1989;

“the 2000 Act” means the Local Government Act 2000;

“disciplinary action” has the same meaning as in the Local Authorities (Standing Orders) (England) Regulations 2001;

“executive” and “Leader” have the same meaning as the Articles of the Constitution;

“member of staff” means a person appointed to or holding a paid office or employment under the council; and

“proper officer” means an officer appointed by the council for the purposes of the provisions in this Part.

2. Subject to paragraphs 3 and 10, the function of appointment and dismissal of, and taking disciplinary action against, a member of staff of the council must be discharged, on behalf of the council, by the Chief Executive or by an officer nominated by him.

3. Paragraph 2 shall not apply to the appointment or dismissal of, or disciplinary action against the Chief Executive or Director.

4. **Recruitment and appointment**

(a) Declarations

- (i) The Council will draw up a statement requiring any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or senior officer of the Council, or of the partner of such persons.
- (ii) No candidate so related to a councillor or senior officer will be appointed without the authority of the Chief Executive or an officer nominated by him/her.

(b) Seeking support for appointment

- (i) Subject to paragraph (iii) any applicant who directly or indirectly seeks the support of any councillor for any appointment with the Council shall be disqualified. The content of this paragraph will be included in any recruitment information.
- (ii) Subject to paragraph (iii), no councillor will seek support for any person for any appointment with the Council.
- (iii) Nothing in paragraphs (4)(b)(i) and (ii) will prevent a councillor from giving a written reference for a candidate for submission with an application for appointment.

5. **Recruitment of Chief Officer**

When the Council proposes to appoint a Chief Executive or Director and it is not proposed that the appointment be made exclusively from among their existing officers, the Council will:

- (a) draw up a statement specifying:
 - (i) the duties of the officer concerned; and
 - (ii) any qualifications or qualities to be sought in the person to be appointed;
 - (b) make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
 - (c) make arrangements for a copy of the statement mentioned in paragraph 4 to be sent to any person on request.
6. Before an offer of employment in respect of a Chief Executive or Director is made the council will appoint an Appointments and Conditions of Service Committee established for the purpose. That committee must include a member of the executive and shall be the “appointor” for the purpose of paragraph 8 below
7. (1) Where a committee, sub-committee or officer is discharging, on behalf of the council, the function of the appointment or dismissal of an officer designated as the head of the council’s paid service, the council must approve that appointment before an offer of appointment is made to him or, as the case may be, must approve that dismissal before notice of dismissal is given to him.
- (2) Where a committee or a sub-committee of the council is discharging, on behalf of the council, the function of the appointment or dismissal of any officer referred to paragraph 3, at least one member of the executive must be a member of that committee or sub-committee.
8. (1) In this paragraph, “appointor” means, in relation to the appointment of a person as an officer of the council, the council or, where a committee is discharging the function of appointment on behalf of the council, that committee.
- (2) An offer of an appointment as an officer referred to in sub-paragraph (a) or (b) of paragraph 3 must not be made by the appointor until –
- (a) the appointor has notified the Monitoring Officer of the name of the person to whom the appointor wishes to make the offer and any other particulars which the appointor considers are relevant to the appointment;
 - (b) the Monitoring Officer has notified every member of the executive of the council of-
 - (i) the name of the person to whom the appointor wishes to make the offer;
 - (ii) any other particulars relevant to the appointment which the appointor has notified to the Monitoring Officer; and
 - (iii) the period within which any objection to the making of the offer

is to be made by the Leader to the Monitoring Officer; and

(c) either –

- (i) the Leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the appointor that neither he nor any other member of the executive has any objection to the making of the offer;
- (ii) the Monitoring Officer has notified the appointor that no objection was received by him within that period from the Leader; or
- (iii) the appointor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

9. (1) In this paragraph, “dismissor” means, in relation to the dismissal of an officer of the council, the council or, where a committee, sub-committee or another officer is discharging the function of dismissal on behalf of the council, that committee, sub-committee or other officer, as the case may be.

(2) Notice of the dismissal of an officer referred to in sub-paragraph (a) or (b) of paragraph 3 must not be given by the dismissor until: –

- (a) the dismissor has notified the Monitoring Officer of the name of the person whom the dismissor wishes to dismiss and any other particulars which the dismissor considers are relevant to the dismissal;
- (b) the Monitoring Officer has notified every member of the executive of the council of-
 - (i) the name of the person whom the dismissor wishes to dismiss;
 - (ii) any other particulars relevant to the dismissal which the dismissor has notified to the Monitoring Officer; and
 - (iii) the period within which any objection to the dismissal is made by the Leader to the Monitoring Officer; and

(c) either –

- (i) the Leader has, within the period specified in the notice under sub-paragraph (b)(iii), notified the dismissor that neither he nor any other member of the executive has any objection to the dismissal;
- (ii) the Monitoring Officer has notified the dismissor that no objection was received by him within that period from the Leader; or
- (iii) the dismissor is satisfied that any objection received from the Leader within that period is not material or is not well-founded.

10. Nothing in paragraph 2 shall prevent a person from serving as a member of any committee or sub-committee established by the council to consider an appeal by –

- (a) another person against any decision relating to the appointment of that

other person as a member of staff of the council; or

- (b) a member of staff of the council against any decision relating to the dismissal of, or taking disciplinary action against, that member of staff.

Disciplinary action against the Head of Paid Service, Monitoring Officer or Chief Financial Officer

11. In the following paragraphs—

- (a) “the 2011 Act” means the Localism Act 2011;
- (b) “chief finance officer”, “disciplinary action”, “head of the authority’s paid service” and “monitoring officer” have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;
- (c) “independent person” means a person appointed under section 28(7) of the 2011 Act;
- (d) “local government elector” means a person registered as a local government elector in the register of electors in the Council’s area in accordance with the Representation of the People Acts;
- (e) “the Panel” means a committee appointed by the Council under section 102(4) of the Local Government Act 1972 for the purposes of advising the Council on matters relating to the dismissal of relevant officers of the Council;
- (f) “relevant meeting” means a meeting of the Council to consider whether or not to approve a proposal to dismiss a relevant officer; and
- (g) “relevant officer” means the chief finance officer, head of paid service or monitoring officer, as the case may be.

12. A relevant officer may not be dismissed by the Council unless the procedure set out in the following paragraphs is complied with.

13. The Council must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.

14. In paragraph 13 “relevant independent person” means any independent person who has been appointed by the Council or, where there are fewer than two such persons, such independent persons as have been appointed by another Council or authorities as the Council considers appropriate.

15. Subject to paragraph 16, the Council must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph 13 in accordance with the following priority order -

- (a) a relevant independent person who has been appointed by the Council and who is a local government elector;
- (b) any other relevant independent person who has been appointed by the Council;
- (c) a relevant independent person who has been appointed by another Council or authorities.

16. The Council is not required to appoint more than two relevant independent

persons in accordance with paragraph 15 but may do so.

17. The Council must appoint any Panel at least 20 working days before the relevant meeting.
18. Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the Council must take into account, in particular—
 - (a) any advice, views or recommendations of the Panel;
 - (b) the conclusions of any investigation into the proposed dismissal; and
 - (c) any representations from the relevant officer.
19. Any remuneration, allowances or fees paid by the Council to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act.