



PART 4

RULES OF PROCEDURE

SECTION 1 - COUNCIL PROCEDURE RULES

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1.0 ANNUAL MEETING OF THE COUNCIL

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

The annual meeting will:

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

1.1 Selection of Councillors on Committees and Outside Bodies

At the annual meeting, the Council will:

- (i) decide which committees to establish for the municipal year;
- (ii) decide the size and terms of reference for those committees;

- (iii) decide the allocation of seats to political groups in accordance with the political balance rules;
- (iv) receive nominations of councillors to serve on each committee and outside body; and
- (v) appoint the Chairman, Vice-Chairman and Members to committees and outside bodies except where appointment to those bodies has been delegated by the Council or is exercisable only by the Executive.

2.0 ORDINARY MEETINGS

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

- (i) Consider priority business;
- (ii) elect a person to preside if the Chairman and Vice-Chairman are not present;
- (iii) approve the minutes of the last meeting;
- (iv) apologies for absence;
- (v) receive any declarations of interest from members;
- (vi) appoint/remove members of the Executive;
- (vii) questions pursuant to Council Procedure Rule 9.
- (viii) receive and debate, in accordance with the Council's Petitions Scheme, any petition signed by at least 2,000 qualifying persons.
- (ix) receive a report from the Leader of the Council and receive questions and answers thereon in accordance with Council Procedure Rule 10.
- (x) receive reports from the Executive and statutory officers and receive questions and answers on any of those reports;
- (xi) receive reports from the Chairmen of Committees in accordance with the schedule specified at Council Procedure Rule 11 and receives questions and answers thereon in accordance with the said Procedure Rule.
- (xii) consider motions; and
- (xiii) consider any other business specified in the summons to the meeting, including consideration of proposals from the Executive in relation to the Council's budget and policy framework and reports of the scrutiny committee for debate.
- (xiv) receive the Chairman's announcements.

3.0 ELECTION OF LEADER OF THE COUNCIL

- 3.1 The Monitoring Officer will conduct the vote for the election of the Leader of the Council in accordance with the following procedure:
- (i) Each member present at the time will have one vote
 - (ii) The vote will be taken by way or a roll call and recorded in the minutes
 - (iii) The Monitoring Officer will call out the name of each nominated person in alphabetical order and invite Members to vote according to their preference; alternatively they may, if they wish, abstain.
 - (iv) At the conclusion of the vote the Monitoring Officer will announce the number of votes cast for each nominated person. If any one nominated person receives an overall majority of the votes cast (abstentions will not be counted), they will be declared the winner and be elected as the Leader of the Council.
 - (v) If no one nominated person receives an overall majority of the votes cast, then the nominated person receiving the least number of votes will be eliminated.
 - (vi) The Monitoring Officer will then invite further round(s) of voting as necessary in accordance with the procedures set out in paragraphs 9.3.1 to 9.3.3 above until one nominated person receives an overall majority, for which any abstentions will not be counted.
 - (vii) Any member not present at the start of the first vote (iii) will not be entitled to a vote at a later round (vi) even if they have joined the meeting by that stage.
- 3.2 Paragraphs (ii) and (iii) will be waived if only one nomination is made. Voting will then be by a show of hands.

4.0 VOTE OF NO CONFIDENCE IN THE LEADER OF THE COUNCIL

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

5.0 CALLING EXTRAORDINARY MEETINGS

5.1 Those listed below may request the Chief Executive to call Council meetings in addition to ordinary meetings:

- (i) the Council by resolution;
- (ii) the Chairman of the Council;
- (iii) the Monitoring Officer;
- (iv) any five members of the Council if they have signed a requisition presented to the Chairman of the Council and he/she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

6.0 TIME AND PLACE OF MEETINGS

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

7.0 NOTICE OF AND SUMMONS TO MEETINGS

7.1 The Chief Executive will give notice to the public of the time and place of any meeting in accordance with the Access to Information Rules. At least five clear days before a meeting, the Chief Executive will send a summons signed by him or her by post to every councillor or leave it at their usual place of residence. The summons will give the date, time and place of each meeting and specify the business to be transacted, and will be accompanied by such reports as are available.

8.0 CHAIRMAN OF MEETING

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

9.0 QUORUM

9.1 The quorum of a meeting will be one quarter of the whole number of members. During any meeting if the Chairman counts the number of members present and declares there is not a quorum present, the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

10.0 DURATION OF MEETING

10.1 Unless the majority of councillors present vote for the meeting to continue, any meeting shall stand adjourned at 10.00 o'clock in the evening provided that, if there is a quorum present and in the opinion of the Chairman the matters remaining to be considered are either of such importance that it's in the interest of the Council that the consideration thereof should then take place or that the extension of time required is minimal, councillors may consent to the continuation of the meeting. Remaining business will be considered at a time and date fixed

by the Chairman. If he/she does not fix a date, the remaining business will be considered at the next ordinary meeting.

11.0 QUESTIONS BY MEMBERS

11.1 On Reports of the Executive or Committees

A member of the Council may ask the Leader or appropriate Deputy Leader or the Chairman of a Committee any question without notice upon an item of the report of the Executive or by a Committee when that item is being received or under consideration by the Council.

11.2 Questions on Notice at Full Council

Subject to Rule 11.4, a Councillor may ask:

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

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

11.3 Questions on notice at Committees and Sub-committees

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

11.4 Notice of questions

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

- (a) they have given at least seven working days notice in writing of the question to the Chief Executive; or
- (b) the question relates to urgent matters, they have the consent of the Chairman to whom the question is to be put, and the content of the question is given to the Chief Executive by 11.00 a.m. on the day of the meeting. Every question shall be put and answered without discussion but the person to whom the question has been put may decline to answer.

11.5 Response

An answer may take the form of:

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

11.6 **Supplementary Question**

A member having given notice of a question under Procedure Rule 11.2 and having received a reply under paragraph 11.5 may ask 1 supplementary question on the point of the original question. The response to the supplementary question shall be made in accordance with Procedure Rule 11.5.

11.7 **No debate on questions**

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

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

12.0 **REPORT OF THE LEADER OF THE COUNCIL**

- 12.1 The Leader of the Council shall at each ordinary meeting of the Council submit a report on the work of the Executive, and shall be open to question thereon.
- 12.2 The Leader of the Council may invite (a) representative(s) of a partner organisation(s) to address the Council in respect of any matters referred to in the Leader's report relating to partnership working between the Council and the organisation(s).
- 12.3 A member of the Council may, at the discretion of the Chairman, ask the Leader of the Council a question relating to a matter referred to in the Leader's report to Council and may, after having the response from the Leader (or at the Leader's discretion the relevant Deputy Leader or representative of a partner organisation) ask one supplementary question on the point of the original question.
- 12.4 A member of the Council may question the Leader once (with the provision for a supplementary question) on each item in the Leader's report.
- 12.5 An answer by the Leader of the Council (or Deputy Leader) may take the form of:
- (a) a direct oral answer by the Leader of the Council
 - (b) a direct oral answer by a Deputy Leader with portfolio responsibility for the matter subject to question
 - (c) a direct oral answer from a representative or a partner organisation invited by the Leader of the Council to respond
 - (d) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
 - (e) where the reply cannot conveniently be given orally, a written answer circulated to the questioner.

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

13.0 MOTIONS ON NOTICE

13.1 Notice

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

13.2 Motion set out in agenda

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

13.3 Scope

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

13.4 Motions not moved

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

13.5 Automatic reference to committee

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

14.0 MOTIONS WITHOUT NOTICE

The following motions may be moved without notice:

- (a) to appoint a Chairman of the meeting at which the motion is moved;
- (b) in relation to the accuracy of the minutes;
- (c) to change the order of business in the agenda;

- (d) to refer something to an appropriate body or individual;
- (e) to appoint a committee or member arising from an item on the summons for the meeting;
- (f) to receive reports or adoption of recommendations of the Executive or committees or officers and any resolutions following from them;
- (g) to withdraw a motion;
- (h) to extend the time limit for a speech;
- (i) to amend a motion;
- (j) to proceed to the next business;
- (k) that the question be now put;
- (l) to adjourn a debate;
- (m) to adjourn a meeting;
- (n) that the meeting continue beyond 10 p.m.;
- (o) to take a recorded vote under Procedure Rule 16.4;
- (p) to suspend a particular Council Procedure rule;
- (q) to exclude the public and press in accordance with the Access to Information Rules;
- (r) to not hear further a councillor named under Rule 20.3 or to exclude them from the meeting under Rule 20.4; and
- (s) to give the consent of the Council where its consent is required by this Constitution.

15.0 RULES OF DEBATE

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

15.2 Right to require motion in writing

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

15.3 Secunder's speech

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

15.4 Content and length of speeches

Speeches must be directed to the question under discussion or to a point of order. No speech may exceed 5 minutes without the consent of the Chairman.

15.5 **Only one councillor to stand at a time**

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

15.6 **When a councillor may speak again**

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

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

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

15.7 **Amendments to motions**

- (a) An amendment to a motion must be relevant to the motion and will either be:
 - (i) to refer the matter to an appropriate body or individual for consideration or reconsideration;
 - (ii) to leave out words;
 - (iii) to leave out words and insert or add others; or
 - (iv) to insert or add wordsas long as the effect of (ii) to (iv) is not to negate the motion.
- (b) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.
- (c) If an amendment is not carried, other amendments to the original motion may be moved.

- (d) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- (e) After an amendment has been carried, the Chairman will read out the amended motion before accepting any further amendments, or if there are none, put it to the vote.

15.8 **Alteration of motion**

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

15.9 **Withdrawal of motion**

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

15.10 **Right of reply**

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

15.11 **Motions which may be moved during debate**

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

- (a) to withdraw a motion;
- (b) to amend a motion;
- (c) to proceed to the next business;
- (d) that the question be now put;
- (e) to adjourn a debate;

- (f) to adjourn a meeting;
- (g) that the meeting continue beyond 10.00 p.m.;
- (h) to exclude the public and press in accordance with the Access to Information Rules; and
- (i) to not hear further a member named under Procedure Rule 20.3 or to exclude them from the meeting under Rule 20.4
- (j) a requisition for a recorded vote under Standing Order 16.4

15.12 **Closure motions**

- a) A member may move, without comment, the following motions at the end of a speech of another councillor:
 - (i) to proceed to the next business;
 - (ii) that the question be now put;
 - (iii) to adjourn a debate; or
 - (iv) to adjourn a meeting;
- b) If a motion to proceed to next business is seconded and the Chairman thinks the item has been sufficiently discussed, he or she will give the mover of the original motion a right of reply and then put the procedural motion to the vote without further debate or discussion.
- c) If a motion that the question be now put is seconded and the Chairman thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote without further debate or discussion. If it is passed he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.
- d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chairman thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the mover of the original motion the right of reply and without further debate or discussion.

15.13 **Point of order**

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

15.14 **Motions affecting persons employed by the Council**

If any question arises at a meeting of the Council (or of a committee thereof to which the Local Government Act, 1972 applies by virtue of Section 100(A) of the Executive) as to the appointment, promotion, dismissal, salary, superannuation or conditions of service, or as to the conduct of any person employed by the

Council, such question shall not be subject of discussion until the Council or Committee, as the case may be, has decided whether or not the power of exclusion of the public under Section 100(A) of the Local Government Act, 1972 shall be exercised.

16.0 VOTING

16.1 Majority

Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those councillors voting and present in the room at the time the question was put.

16.2 Chairman's casting vote

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

16.3 Show of hands

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

16.4 Recorded vote

Unless in this Constitution provides otherwise, if the majority of Councillors present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be taken down in writing and entered into the minutes.

16.5 Right to require individual vote to be recorded

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

16.6 Voting on appointments

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

16.7 Smoking

Smoking is not permitted anywhere in the Council Offices.

17.0 MINUTES

17.1 Signing the minutes

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

17.2 Contents of Minutes

Minutes of meetings of the Council shall record any proposal moved and duly seconded and on which a vote was taken, whether such a proposal was a motion or an amendment to a motion and regardless of whether the proposition was subsequently adopted by the Council.

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

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

17.4 Form of minutes

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

18.0 RECORD OF ATTENDANCE

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

19.0 EXCLUSION OF PUBLIC

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

20.0 COUNCILLORS' CONDUCT

20.1 Standing to speak

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

20.2 Chairman standing

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

20.3 Councillor not to be heard further

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

20.4 Councillor to leave the meeting

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

20.5 General disturbance

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

21.0 DISTURBANCE BY PUBLIC

21.1 Removal of member of the public

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

21.2 Clearance of part of meeting room

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

22.0 SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES

22.1 Suspension

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

22.2 Amendment

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

23.0 DELEGATION

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

24.0 REPORTS OF OFFICERS

- (a) Every such report to the Executive or any Committee or any Sub-Committee shall be issued by the Chief Executive to all councillors, or the Executive, Committee, or sub-committee, as the case may be, with the summons or agenda which provides for the consideration thereof, or as soon as practicable before the meeting.

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

25.0 URGENT ACTION

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

26.0 INTERESTS OF COUNCILLORS IN CONTRACTS AND OTHER MATTERS

- (a) If any councillor has a personal or personal and prejudicial interest in a matter as defined in the Code of Conduct (see Part 5 hereof) and attends a meeting at which the matter is considered the councillor shall disclose to the meeting the existence and nature of that interest at the commencement of that consideration or when the interest becomes apparent.
- (b) If any councillor has a personal and prejudicial interest in a matter as defined in the Code of Conduct (see Part 5 hereof) then subject as referred to in the Code that member shall:
 - (i) withdraw from the room where the meeting is being held whenever it becomes apparent that the matter is being considered at that meeting unless a dispensation has been obtained from the authority's Standards Committee;
 - (ii) not exercise executive functions in relation to that matter; and
 - (iii) not seek improperly to influence a decision about that matter.

27.0 INTEREST OF EMPLOYEES AND COUNCILLORS IN CONTRACTS ETC

The Chief Executive shall record in a book to be kept for the purpose particulars of any notice given by an employee of the Council under section 117 of the Local Government Act 1972 of a pecuniary interest in a contract, and the book shall be open during office hours to the inspection of any councillor and a similar record shall be kept of such interests declared by councillors.

28.0 PROCEDURE RULES TO BE GIVEN TO COUNCILLORS

A printed copy of these Procedure Rules, and of such statutory provisions as regulate the proceedings and business of the Council shall be given to each councillor by the Head of Governance and Scrutiny Services on or before the

councillor's declaration of acceptance of office on the councillor being first elected to the Council.

29.0 INSPECTION OF DOCUMENTS

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

30.0 INSPECTION OF LAND, PREMISES, ETC. BY COUNCILLORS

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

31.0 APPLICATION TO COMMITTEES AND SUB-COMMITTEES

All of the Council Rules of Procedure apply to meetings of the Council. None of the rules apply to meetings of the Executive. Only Rules 6-23 (but not Rules 12, 13 and 25, apply to meetings of committees and sub-committees save that:

- (a) the Chairman of the meeting may at his discretion waive the prohibition on members speaking more than once as contained in Rule 15.6;
- (b) Rule 17.2 shall apply to meetings of the Regulatory Committee or the Licensing Committee only when those Committees are not considering individual applications.

Rule 9 shall apply to Committees and Sub-Committees subject to a quorum being no fewer than 3 members of the Committee/Sub-Committee.

32.0 DETERMINATION OF PLANNING APPLICATIONS BY THE REGULATORY COMMITTEE CONTRARY TO OFFICER RECOMMENDATIONS

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

- (a) any motion to approve a planning application shall incorporate any conditions to be attached to such approval and shall also include reasons for such grant and reasons for such conditions as may be imposed.

- (b) any motion to refuse a planning application shall incorporate grounds for such refusal.

33.0 INDEPENDENT CHAIRMAN OF THE STANDARDS COMMITTEE

The independent Chairman of the Standards Committee (or independent Vice-Chairman, if applicable) shall have the right to attend Council meetings when matters in that capacity pertaining to the Standards Committee are considered and may address the Council thereon.

SECTION 2 – ACCESS TO INFORMATION PROCEDURE RULES

1.0 Introduction

These rules apply to all meetings of the Council, the Executive and any Committees or Sub-Committees (together referred to in this Section as meetings).

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

2.0 Rights to Attend Meetings

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

3.0 Notices of Meetings

The Council will give at least five clear days notice of any meeting by posting details of the meeting at the Council Offices.

4.0 Access to Agenda and Reports before the Meeting

The Council will make copies of the agenda and reports open to the public available for inspection at the designated office at least five clear days before the meeting. 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.

5.0 Supply of Copies

Copies of :

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

will be available to members of the public attending a meeting and available from the Solutions Desk at the Council offices, 5 days prior to the meeting. The agenda and reports will also be available to view on the Council's website www.sstaffs.gov.uk.

6.0 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.

7.0 Background Papers

- (a) Every report will set out a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:
 - (i) disclose any facts or matters on which the report or an important part of the report is based; and
 - (ii) which have been relied on to a material extent in preparing the report but does not include published works or those which disclose exempt or confidential information.
- (b) The Council will 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.

8.0 Exclusion of Access by the Public to Meetings

8.1 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.

8.2 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.

8.3 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.

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

8.4 Meaning of Exempt Information

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

<u>Category</u>
1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes— (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.
8. Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is required to be registered under— (a) the Companies Acts (as defined in Section 2 of the Companies Act, 2006) (b) the Friendly Societies Act, 1974; (c) the Friendly Societies Act, 1992; (d) the Industrial and Provident Societies Acts, 1965 to 1978; (e) the Building Societies Act, 1986; or (f) the Charities Act, 1993.
9. 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.

Category

10. Information which—

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

11. (1) In parts 1 and 2 of this Part of this Schedule—

- "employee" means a person employed under a contract of service;
"financial or business affairs" includes contemplated, as well as past or current, activities;
"labour relations matters" means—
- (a) any of the matters specified in paragraphs (a) to (g) of Section 218(1) of the Trade Union and Labour Relations (Consolidation) Act, 1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or
 - (b) any dispute about a matter falling within paragraph (a) above; and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;
- "office-holder", in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority;
"registered" in relation to information required to be registered under the Building Societies Act, 1986, means recorded in the public file of any building society (within the meaning of that Act).
- (2) Any reference in Parts 1 and 2 and this Part of this Schedule to "the authority" is a reference to the principal council or, as the case may be, the committee or sub-committee in relation to whose proceedings or documents the question whether information is exempt or not falls to be determined and includes a reference—
- (a) in the case of a principal council, to any committee or sub-committee of the council; and
 - (b) in the case of a committee, to—
 - (i) any constituent principal council;
 - (ii) any other principal council by which appointments are made to the committee or whose functions the committee discharges; and
 - (iii) any other committee or sub-committee of a principal council falling within sub-paragraph (i) or (ii) above; and
 - (c) in the case of a sub-committee, to—
 - (i) the committee, or any of the committees, of which it is a sub-committee; and
 - (ii) any principal council which falls within paragraph (b) above in relation to that committee.

9.0 Exclusion of Access by the Public to Reports

With the approval of the Monitoring Officer, the Council may exclude access by the public to reports which in his or her opinion relate to items during which, in accordance with Rule 8, the meeting is likely not to be open to the public. Such reports will be marked "Not for Publication" together with the category of information likely to be disclosed.

10.0 Format of Reports

Every report to Council, the Executive or any Committee or Sub-Committee and any report of a member of the Executive proposing a decision under his/her delegated powers shall contain the following sections in the order listed below:

- (1) Summary of report
- (2) Proposed decision/recommendation
- (3) Background information
- (4) Alternative options considered
- (5) Reasons for decision
- (6) Links to corporate aims and objectives
- (7) Scrutiny powers
- (8) Financial implications
- (9) Legal powers for proposed action
- (10) Crime and Disorder implications
- (11) Equal Opportunities/Diversity implications
- (12) Sustainability Issues
- (13) Health and Wellbeing Implications
- (14) Risk Assessment
- (15) Consultation undertaken
- (16) Category of Exempt Information (where applicable)
- (17) Background documents (schedule thereof)
- (18) Budget and Policy Compliance
- (19) Key Decision Information
- (20) Conflicts of Interest declared (if any)
- (21) Dispensations granted by Standards Committee (if any)
- (22) Appendices

(All reports shall indicate whether there is compliance with Council budget/policy and state that otherwise the matter will be considered by the Executive collectively prior to submission to the Council after appropriate scrutiny, (other than where the urgent matter procedure is followed).

11.0 Executive Decisions

(a) Advance notice of forthcoming decisions

- (i) The requirements for advance notice of forthcoming executive decisions apply to "Key Decisions", which are to comprise any executive decisions likely to:
 - result in the Council incurring expenditure which is or the making of savings which are significant having regard to the Council's budget for the service or function to which the decision relates or

- be significant in terms of its effects on communities living or working in an area comprising two or more wards within the area of the Council

In addition, any decision involving expenditure or savings of over £300,000 but excluding any decision relating to investment/withdrawal of Council monies as part of Treasury Management Procedures will be considered to be a key decision.

- (ii) The Leader of the Council is required, at least 14 days before the start of each calendar month, to prepare a Forward Plan which sets out details of any matters which he/she considers are likely to be the subject of a Key Decision within the next 4 calendar months.
- (iii) The Leader of the Council shall arrange for the advertising in one local newspaper annually, on a date at least 14 days but not more than 21 days before the first Forward Plan of that year comes into effect of the existence and availability of the Forward Plan.
- (iv) Where a key decision is required to be taken which has not been included in the Forward Plan the decision shall only be made when the decision-taker has notified the Chairman of the Overview and Scrutiny Committee and the Chairman of the relevant Scrutiny Panel, if applicable, (or the respective Vice-Chairman if the Chairman is absent or otherwise unable to act; if there are no such person every member of the Overview and Scrutiny Committee shall be notified in writing). A copy of such notification shall be made available to the public for inspection and the decision shall not be made until five days have elapsed since the notification was available to the public.
- (v) Where the key decision is so urgent that the above procedure cannot be complied with then the decision taker shall only proceed following agreement from the Chairman of the Overview and Scrutiny Committee and the Chairman of the relevant Scrutiny Panel, if applicable, or if a relevant Chairman is absent or otherwise unable to act the Vice-Chairman, that the decision is urgent and cannot reasonably be deferred. If there is no such person, agreement shall be sought from the Chairman of the Council (or in his/her absence or being otherwise unable to act the Vice-Chairman of the Council).

(b) The decision-making process

- (i) Where a proposed decision is to be discussed by the Executive collectively:
 - the agenda for the meeting and every report shall be available for inspection by anyone as soon as they are made available to members of the decision-making body, save for items which disclose confidential or exempt information. At least 5 clear working days' notice of the meeting and the items to be considered at it shall be given unless the meeting is convened at shorter notice or where an item is added to the agenda at shorter notice in cases of urgency in accordance with the provisions of the Local Government Act 1972.

- the meeting must be a public meeting, although the press and public may be excluded during consideration of any matter which would involve the disclosure of confidential or exempt information.
- (ii) Where the Executive or an individual member of it proposes to take a decision, details of the proposed decision shall be sent to all councillors, the Monitoring Officer and the Chief Finance Officer, in accordance with the protocol covering the same, and, save where permitted by the provisions relating to urgent matters, the proposed decision shall not be confirmed and put into effect before 5 clear working days have elapsed or the matter has been released from scrutiny, whichever is the later.

(c) Recording the Decision

As soon as reasonably practicable after an executive decision has been made by the Executive collectively or by an individual member of the Executive, the Executive or the individual member of it shall make a written record of that decision which shall include:

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

Records of executive decisions shall be sent to the Chief Executive who shall maintain such records and shall make them available for public inspection as soon as reasonably practicable after the decision has been taken, together with a copy of any report considered and any background papers. In respect of (b) and (c) in this paragraph, the rules do not apply where the publication of a report or background paper or attendance at a meeting would be likely to disclose exempt or confidential information

SECTION 3 - BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1.0 The Framework for Executive Decisions

The Council will be responsible for the adoption of its Budget and Policy Framework. Once a Budget or a Policy Framework is in place, it will be the responsibility of the Executive to implement it.

- 1.1 The Leader of the Council will publicise at the Council's offices, on its website, and in the Council's newspaper, a timetable for making proposals to the Council for the adoption of any plan, strategy, or budget that forms part of the Budget and Policy Framework, and its arrangements for consultation after publication of those initial proposals. The Chairman of the Overview and Scrutiny Committee and the Chairman of the Audit Committee will also be notified. The consultation period shall, in each instance, be dependent on the nature or complexity of the plan strategy or budget in question but shall not be less than 4 weeks."
- 1.2 At the end of that period, the Executive will then draw up firm proposals having regard to the responses to that consultation. A joint meeting of the Overview and Scrutiny Committee and Audit Committee will be convened by the Head of Governance and Scrutiny Services for those Committees to submit a joint response to the Executive in the consultation process. It will be open to the Overview and Scrutiny Committee and Audit Committee jointly to investigate, research or report in detail with policy recommendations before the end of the consultation period. The Executive will take any response submitted jointly from the Overview and Scrutiny Committee and Audit 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 further response.
- 1.3 Once the Executive has approved the firm proposals, they will be referred at the earliest opportunity to the Council for decision.
- 1.4 In reaching a decision, the Council may adopt the Executive's proposals, amend them, refer them back to the Executive for further consideration, or in principle, substitute its own proposals in their place.
- 1.5 If it accepts the recommendation of the Executive without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.
- 1.6 The decision will be publicised and a copy shall be given to the Leader of the Council.
- 1.7 Where the Executive has submitted a draft plan or strategy to the Council for its consideration and, following consideration of that draft plan or strategy, the Council has any objections to it, the Council must take the action set out in Rule 1.8 below.
- 1.8. Before the Council:
 - 1.8.1 amends the draft plan or strategy;
 - 1.8.2 approves, for the purpose of its submission to the Secretary of State or any Minister of the Crown for his approval, any plan or strategy (whether

or not in the form of a draft) of which any part is required to be so submitted; or

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

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

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

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

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

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

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

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

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

take into account any amendments made to the draft plan or strategy that are included in any revised draft plan or strategy, the 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 of the Council submitted to the Council, or informed the Council of, within the period specified.

1.11 Subject to Rule 1.15, where, before 8th February in any financial year, the Executive submits to the Council for its consideration in relation to the following financial year:-

1.11.1 estimates of the amounts to be aggregated in making a calculation (whether originally or by way of substitute) in accordance with any of sections 32 to 37 or 43 to 49, of the Local Government Finance Act 1992;

1.11.2 estimates of other amounts to be used for the purposes of such a calculation;

1.11.3 estimates of such a calculation; or

1.11.4 amounts required to be stated in a precept under Chapter IV of Part I of the Local Government Finance Act 1992,

and following consideration of these estimates or amounts the Council has any objections to them, it must take the action set out in Rule 1.12.

1.12 Before the Council makes a calculation (whether originally or by way of substitute) in accordance with any of the sections referred to in Rule 1.11.1, or issues a precept under Chapter IV of Part I of the Local Government Finance Act 1992, it must inform the Leader of the Council of any objections which it has to the 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.

1.13 Where the Council gives instructions in accordance with Rule 1.12, it must specify a period of at least five working days beginning on the day after the date on which the Leader of the Council receives the instructions on behalf of the Executive within which the Leader of the Council may:-

1.13.1 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

1.13.2 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.

1.14 When the period specified by the Council, referred to in Rule 1.13, has expired, the Council must, when making calculations (whether originally or by way of substitute) in accordance with the sections referred to in Rule 1.13, or issuing a precept under Chapter IV of Part I of the Local Government Finance Act 1992, take into account:-

1.14.1 any amendments to the estimates or amounts that are included in any revised estimates or amounts;

1.14.2 the Executive's reasons for those amendments;

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

1.14.4 the Executive's reasons for that disagreement,

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

1.15 The above Rules shall not apply in relation to -

1.15.1 calculations or substitute calculations which the Council is required to make in accordance with section 52I, 52J, 52T or 52U of the Local Government Finance Act 1992; and

1.15.2 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.

- 1.16 In approving the Budget and Policy Framework, the Council will also specify the extent of virement within the Budget and degree of in-year adjustments to the Policy Framework which may be undertaken by the Executive, in accordance with these Rules and the Financial Procedure Rules. Any other changes to the policy and budgetary framework are reserved to the Council.
- 1.17 The Executive will in addition to the above provisions consult the Scrutiny Committee regularly in the process of preparing the draft budget and draft plans and strategies and, where appropriate, stakeholders.

2.0 Decisions outside the Budget and Policy Framework

- 2.1 Subject to the provisions of Rule 1.16 and Rule 3.3 below the Executive 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 considers it desirable for a decision to be made which is contrary to the Policy Framework, or contrary to or not wholly in accordance with the Budget approved by the Council, that decision may only be taken by the Council, subject to Rule 3.3 below.

3.0 Urgent decisions outside the Budget or Policy Framework

- 3.1 The Executive may take a decision which is contrary to the Council's Policy Framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken if the Chairman of the Overview and Scrutiny Committee or in his absence the Vice-Chairman of the Overview and Scrutiny Committee agrees that the decision needs to be taken as a matter of urgency.
- 3.2 The reasons why it is not practical to convene a meeting of the Council and the Chairman of the Overview and Scrutiny Committee's consent to the decision being taken as a matter of urgency must be noted on the record of the decision.
- 3.3 Following the decision, the Executive will provide a full report to the next available Council meeting explaining the decision, the reasons for it, and why the decision was treated as a matter of urgency.

4.0 Virement

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

5.0 In-year changes to Policy Framework

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

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

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

- (a) determine that the proposed decision falls within the existing Budget and Policy Framework. In this case no further action is required, save that the decision of the Council shall be minuted and circulated to all councillors in the normal way; or
- (b) amend the Council's policy concerned to encompass the decision or proposal of the body or individual responsible for that executive function and agree to the decision with immediate effect. In this case, no further action is required save that decision of the Council shall be minuted and circulated to all councillors in the normal way; or
- (c) where the Council accepts that decision or proposal is contrary to the Policy Framework or contrary to or not wholly in accordance with the Budget, and does not amend the existing policy or budget to accommodate it, require the Executive to reconsider the matter; or
- (d) approve the decision or proposal as an exception to the policy; or
- (e) provide the relevant budgetary provision for the decision or proposal.

SECTION 4 - EXECUTIVE PROCEDURE RULES

1.0 How Does The Executive Operate

1.1 Who may make executive decisions?

Executive functions may be discharged by:

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

1.2 The Council's scheme of delegation and Executive functions

The Council's scheme of delegation will be subject to adoption by the Council and may only be amended by the Council (with the exception of that Part of Part 3 of this Constitution which allocates powers and duties to individual members of the Council's Executive, which is within the discretion of the Leader of the Council and may only be amended by the Leader of the Council). It will contain the details required in Article 7 and set out in Part 3 of this Constitution. All Executive functions will be delegated by Council to the Leader of the Council who will allocate areas of Executive responsibility to Executive members as he/she sees fit.

1.3 Executive meetings – when and where?

The Executive will meet approximately every six weeks at the Council's main offices or another location to be agreed by the Leader of the Council.

1.4 Public or private meetings of the Executive?

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

1.5 Quorum

The quorum for a meeting of the Executive shall be 3 Executive members.

1.6 How are decisions to be taken by the Executive?

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

2.0 How Are Executive Meetings Conducted?

2.1 Who presides?

If the Leader of the Council is present, he/she will preside. In his/her absence, the Deputy Leader of the Council will preside. If neither the Leader nor the Deputy Leader of the Council are present, a member of the Executive elected to do so by those present shall preside.

2.2 **Who may attend?**

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

2.3 **What business?**

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

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

2.4 **Consultation**

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

2.5 **Who can put items on the Executive agenda?**

- (i) The Leader of the Council will decide upon the schedule for the meetings of the Executive. He/she may put on the agenda of any Executive meeting any matter which he/she wishes and which is a matter which may be the responsibility of the Executive or a member of the Executive, whether or not authority has been delegated to the Executive, or to any councillor, or to an officer in respect of that matter. The Chief Executive shall comply with the Leader of the Council's requests in this respect.
- (ii) Any member of the Executive may require the Leader of the Council to place an item on the agenda of the next available meeting of the Executive for consideration. If he/she receives such a requirement in writing the Leader of the Council will comply with it;
- (iii) The Chief Executive will place on the agenda of the next or next but one meeting of the Executive any item which the Overview and Scrutiny Committee, a Scrutiny Panel or the Council have resolved that it be considered by the Executive;

- (iv) Any councillor may ask the Leader of the Council to put an item on the agenda of an Executive meeting for consideration, and if the Leader of the Council agrees the item will be considered at the next or next but one meeting of the Executive. The notice of the meeting will give the name of the councillor who asked for the item to be considered. The councillor will be invited to attend the meeting, whether or not it is a public meeting.

- (v) The Monitoring Officer and/or the Chief Finance Officer may request the Chief Executive to place an item for consideration on the agenda of an Executive meeting and may request him to call such a meeting in pursuance of their statutory duties. The Chief Executive will comply with that request. If there is no meeting of the Executive timely enough to deal with the issue in question, the Chief Executive shall convene an earlier meeting of it at which the matter will be considered.

SECTION 5 – OVERVIEW AND SCRUTINY PROCEDURE RULES

- 1.0 The Council at its annual meeting will appoint an Overview and Scrutiny Committee. The Overview and Scrutiny Committee may appoint to sub-committees and scrutiny panels as set out in Article 6 of this Constitution.
- 1.1 The Council will have one Overview and Scrutiny Committee which will perform all overview and scrutiny functions on behalf of the Council, itself or through its sub-committees or scrutiny panels. It will consist of all Councillors who are not members of the Executive, together with such non-elected members as it may co-opt and who shall be non-voting members.
- 1.2 The terms of reference of the Overview and Scrutiny Committee are set out in Part 3 of this Constitution.

2.0 WHO MAY SIT ON THE OVERVIEW AND SCRUTINY COMMITTEE

- 2.1 All Councillors except members of the Executive shall be members of the Overview and Scrutiny Committee and shall be eligible to serve on any sub-committee or scrutiny panel thereof. However, no councillor may be involved in scrutinising a decision in which he/she has been directly involved.

3.0 CO-OPTees

- 3.1 The Overview and Scrutiny Panels shall be entitled to appoint persons as non-voting co-optees.

4.0 MEETINGS OF THE OVERVIEW AND SCRUTINY COMMITTEE

- 4.1 Meetings will be held in accordance with the schedule of meetings approved by the Council and additional meetings may be called from time to time as and when appropriate. An Overview and Scrutiny Committee meeting may be called by the Chairman of the Overview and Scrutiny Committee, by any member of the Committee, or by the Chief Executive if he/she considers it necessary or appropriate.
- 4.2 Meetings of the scrutiny panels will be held as required, the scrutiny panels will be responsible for determining when the panel will be convened. The Chairman of the Overview and Scrutiny Committee may convene a panel meeting at any time, as may the chairman of the relevant scrutiny panel

5.0 QUORUM

- 5.1 The quorum for the Overview and Scrutiny Committee and for the scrutiny panels shall be as set out for committees in the Council Procedure Rules in Part 4 of this Constitution.

6.0 WHO CHAIRS OVERVIEW AND SCRUTINY COMMITTEE

- 6.1 The Chairman of the Overview and Scrutiny Committee and any sub-committee or scrutiny panel will be drawn from among the members sitting on the Committee/Sub-Committee or panel, save that
- (i) the Chairman or Vice-Chairman of the Council shall not be the chairman or vice-chairman of the Scrutiny Committee or any of its sub-committees or scrutiny panels.

- (ii) the Chairman of the Overview and Scrutiny Committee may not be Chairman of a scrutiny panel other than the Health Scrutiny Panel.

7.0 SCRUTINY WORK PROGRAMME

- 7.1 The Overview and Scrutiny Committee and any sub-committees or scrutiny panels will, within their terms of reference, be responsible for setting their own work programme and in doing so they shall take into account wishes of members on that committee or panel who are not members of the largest political group on the Council.
- 7.2 At the first meeting in each municipal year the Overview and Scrutiny Committee will appoint the scrutiny panels referred to in Part 1 Article 6 and Part 3 of this Constitution; shall approve the Scrutiny Work Programme and determine what, if any, additional sub-committees/or scrutiny panels are required to fulfil the work programme.
- 7.3 The Overview and Scrutiny Committee will review the Scrutiny Work Programme at least annually, at which time the Chairmen of the Scrutiny Panels (including the Health Scrutiny Panel) shall report to the Overview and Scrutiny Committee on the work of the Panels since the last review.
- 7.4 Further sub-committees/scrutiny panels may also be appointed by the Overview and Scrutiny Committee at any other time during the municipal year. Only the Overview and Scrutiny Committee shall have authority to appoint further scrutiny panels.

8.0 AGENDA ITEMS

- 8.1 Any member of the Council shall be entitled to give notice to the Chief Executive that he/she wishes an item relevant to the functions of the committee, or a sub-committee or panel to be included on the agenda for the next available meeting of the committee, sub-committee or panel. On receipt of such a request the Chief Executive will ensure that the item is included on the next available agenda.

9.0 REVIEW OF COUNCIL ACTIVITIES

- 9.1 The Overview and Scrutiny Committee shall also respond, as soon as its work programme permits, to requests from the Council and, if it considers it appropriate, the Executive, to review particular areas of Council activity. The Scrutiny Committee may discharge this function through a sub-committee or one of its scrutiny panels which will report to the Overview and Scrutiny Committee. Where it does so, the Overview and Scrutiny Committee shall report its findings and any recommendations back to the Executive and/or the Council. The Council and/or the Executive shall consider the report of the Overview and Scrutiny Committee at its next or next but one meeting.

10.0 COUNCILLOR CALL FOR ACTION

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

- 10.2 Any member referring a Councillor Call for Action shall have the right to:-
- make representations to the Overview and Scrutiny Committee or Scrutiny Panel as to why the Committee/Panel should scrutinise the decision
 - if the Overview and Scrutiny Committee/Scrutiny Panel decides not to scrutinise the matter, receive reasons from the Committee/Panel for not doing so.
 - if the Overview and Scrutiny Committee/Scrutiny Panel decides to scrutinise the matter, receive the Committee/Panel's report and/or recommendation(s)

11.0 PETITIONS

- 11.1 To consider, in accordance with the Council's Petitions Scheme any petition signed by at least 1,000 qualifying persons which calls for evidence from a Senior Officer.

12.0 POLICY REVIEW AND DEVELOPMENTS

- 12.1 The role of the Overview and Scrutiny Committee in relation to the development of the Council's budget and policy framework is set out in detail in the Budget and Policy Framework Procedure Rules.
- 12.2 In relation to the development of the Council's approach to other matters not forming part of its policy and budget framework, the Overview and Scrutiny Committee and any sub-committees or scrutiny panel may make proposals to the Executive for developments insofar as they relate to matters within their terms of reference;
- 12.3 The Overview and Scrutiny Committee and any sub-committees or scrutiny panels may hold enquiries and investigate the available options for future direction in policy development and may appoint advisers and assessors to assist it in this process within the budgetary provision assigned to it. It may go on site visits, conduct public surveys, hold public meetings, commission research and do all other things that it reasonably considers necessary to inform its deliberations within such budgetary provision. It may ask witnesses to attend to address it on any matter under consideration and may pay to any advisers, assessors, and witnesses a reasonable fee and expenses for doing so within the budgetary provision assigned to it.

13.0 REPORTS FROM OVERVIEW AND SCRUTINY COMMITTEE

- 13.1 Once it has formed recommendations on proposals, the Overview and Scrutiny Committee will prepare a formal report and submit it to the Chief Executive for consideration by Council or by the Executive which shall consider and respond to the recommendations. A sub-committee or scrutiny panel will, in the first instance, submit its recommendations to the Overview and Scrutiny Committee.
- 13.2 The Council or the Executive shall consider the report of the Overview and Scrutiny Committee at its next or next but one meeting.

14.0 MAKING SURE THAT SCRUTINY REPORTS ARE CONSIDERED BY THE EXECUTIVE

- 14.1 The reports of the Overview and Scrutiny Committee referred to the Executive shall be included in the agenda by the Chief Executive at the next or next but one meeting.
- 14.2 Where the Overview and Scrutiny Committee or any sub-committee or scrutiny panel prepares a report for consideration in relation to a matter where the Council has delegated decision making power to an individual member of the Executive, the Overview and Scrutiny Committee, sub-committee or Scrutiny Panel will submit a copy of their report to him/her for consideration and, at the same time send a copy of the report to the Chief Executive. The member with delegated decision making power must consider the report and respond in writing to the Overview and Scrutiny Committee, sub-committee or scrutiny panel within four weeks of receiving it. A copy of his/her written response to it shall be sent to the Chief Executive and the Leader. The member will also attend a future meeting of the Overview and Scrutiny Committee, sub-committee or scrutiny panel to present the response at the request of the Overview and Scrutiny Committee, sub-committee or scrutiny panel.

15.0 SCRUTINY OF EXECUTIVE DECISIONS

- 15.1 All key decisions will routinely be referred to the relevant scrutiny panel for consideration prior to any decisions being taken thereon by the Executive or an Executive Member.
- 15.2 Any call-in request (Paragraph 19) will be referred in the first instance, to the relevant scrutiny panel.
- 15.3 Once any proposed decision (whether or not the proposal constitutes a key decision) has been considered by the Overview and Scrutiny Committee, a sub-committee or a scrutiny panel, and subject to that scrutiny panel having no adverse comments to make thereon, any decision of the Executive or an Executive Member in accordance with that proposal will not be subject to further call in and, unless prescribed by law or the Council's Constitution, not subject to any requirement for approval by Council.

16.0 CONSIDERATION OF ISSUES PROPOSED BY A MINORITY GROUP

- 16.1 One Opposition Day per year will be allocated to each scrutiny panel (excluding the Health Scrutiny Panel) where the item for debate shall be determined by the largest minority group on the Council, but must be a matter within the remit of the relevant scrutiny panel.
- 16.2 The Leader of the largest minority group on the Council shall advise the Chairman of the relevant Scrutiny Panel of the subject for the Opposition Day Debate at least three weeks prior to the debate taking place. In the absence of such a Leader the item for debate at a Scrutiny Panel shall be determined by the Member(s) of the Panel who is/are not Members of the controlling group on the Council. In this event the Member shall/or Members shall jointly, advise the Chairman of the relevant Scrutiny Panel of the subject for the Opposition Day Debate at least three weeks prior to the debate taking place.
- 16.3 The Leader of the largest minority group on the Council shall, unless a member of the Executive, be entitled to attend a Scrutiny Panel considering a matter submitted to the Panel pursuant to Paragraph 15.1, to introduce the matter and

answer questions thereon, but may not take part in the debate or voting thereon unless a member of the Panel.

17.0 COUNCILLORS AND EMPLOYEES GIVING ACCOUNT

17.1 Within its terms of reference the Overview Scrutiny Committee or any sub-committee or scrutiny panel may scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions. As well as reviewing documentation, in fulfilling the scrutiny role, it may require, in accordance with any protocol the Council may adopt, any member of the Executive, the Chief Executive, or any employee to attend before it to explain in relation to matters within their remit:

- any particular decision or series of decisions;
- the extent to which the actions taken implement Council policy; and/or
- their performance,
- and it is the duty of those persons to attend if so required.

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

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

18.0 ATTENDANCE BY OTHERS

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

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

18.3 With the agreement of the Committee or panel chairman, an Executive member may make representations to a scrutiny panel acting in his/her capacity as a Ward Councillor, subject to the matter under consideration not falling within that Member's portfolio responsibilities, but may not take part in the debate or formally put forward proposals.

- 18.4 With the agreement of the Committee or panel chairman, a non-Executive member excluded under Paragraph 2.1 may make representations to a Scrutiny Panel acting in his/her capacity as Ward Councillor, but may not take part in the debate formally put forward proposals or vote on relating to a decision in which he/she has been directly involved and even if he/she is a member of the Committee
- 18.5 Nothing in the Overview and Scrutiny Procedure Rules 18.2 and 18.3 inhibits a member's ability to submit a Councillor Call for Action pursuant to Overview and Scrutiny Procedure Rule 10.

19.0 CALL-IN

- 19.1 When a decision is proposed by the Executive or an individual member of the Executive, notice of it shall be published, by electronic means, i.e. utilising the group mail scrutiny address on the Council's e-mail system. All non-Executive members, the Monitoring Officer and Chief Financial Officer will be sent copies of all such proposed decisions by electronic means, i.e. utilising the group mail scrutiny address on the Council's e-mail system, within the same timescale by the person responsible for proposing the decision.
- 19.2 The notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the expiry of 5 working days after the publication of the proposed decision, unless non-Executive members, the Monitoring Officer or the Chief Finance Officer objects and calls it in. Where a member calls in a decision for scrutiny that member shall specify the reason or reasons for requesting consideration by the Overview and Scrutiny Committee, or a sub-committee or scrutiny panel and any debate thereupon at Overview and Scrutiny Committee or a sub-committee or panel shall be confined to such reasons. A decision called-in for scrutiny will be referred to the relevant scrutiny panel in the first instance save that, in exceptional circumstances and with the approval of the chairman of the Overview and Scrutiny Committee and the sub-committee or scrutiny panel concerned, the decision may be referred to the Overview and Scrutiny Committee for consideration.
- 19.3 During the call-in period, the Head of Governance and Scrutiny Services shall call in a decision for scrutiny by the Overview and Scrutiny Committee or Scrutiny Panel if so requested by any member of the committee, the monitoring officer (NB: currently the Head of Governance and Scrutiny Services is the Monitoring Officer), or the Chief Finance Officer and shall then notify the decision-maker of the call-in. The Head of Governance and Scrutiny Services shall call a meeting of the Overview and Scrutiny Committee, sub-committee or scrutiny panel on such date as he/she may determine, where possible after consultation with the chairman of the committee.
- 19.4 If, having considered the proposed decision, the Overview and Scrutiny Committee, sub-committee or scrutiny panel is still concerned about it, it may refer it back to the decision making person or body for reconsideration, setting out in writing the nature of its concerns. If referred back, the decision maker shall then reconsider the decision, amending it, abandoning it, or pursuing it.
- 19.5 If having been taken back for reconsideration by the decision making person or body, proposes a decision in accordance with the recommendation(s) of the Overview and Scrutiny Committee or sub-committee or scrutiny panel then this decision shall be notified to members in accordance with the procedures set out

at paragraph 19.1 and 19.2 but the decision shall not be further subject to the call-in procedure.

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

19.7 If on referral back by a sub-committee or a scrutiny panel the decision making person or body indicate they will not alter the proposed decision, the matter will be referred to the Overview and Scrutiny Committee for consideration.

19.8 The call-in procedure shall not apply:

- where the decision being taken by the Executive is urgent. A decision will be urgent if any delay likely to be caused by the call-in process would seriously prejudice the Council's or the public's interests. The record of the decision, and notice by which it is made public shall state whether in the opinion of the decision making person or body, the decision is an urgent one, and therefore not subject to call-in. The Chairman of the Scrutiny Committee must agree both that the decision proposed is reasonable in all the circumstances and to it being treated as a matter of urgency. In the absence of the chairman, the Vice-Chairman's consent shall be required. Decisions taken as a matter of urgency must be reported to the next available meeting of the Scrutiny Committee, together with the reasons for urgency.
- to decisions taken by the Deputy Leader (Direct Services) in accordance with a recommendation from the Housing Review Panel.

20.0 EXECUTIVE DECISIONS SUBMITTED FOR SCRUTINY

20.1 The procedures at paragraphs 19.5 to 19.9 will be applied to all proposed decisions by the Executive or a member of the Executive considered by the Overview and Scrutiny Committee, a sub-committee or scrutiny panel.

21.0 PROCEDURE AT OVERVIEW AND SCRUTINY COMMITTEE MEETINGS

21.1 The Overview and Scrutiny Committee and any sub-committee or Scrutiny Panel shall consider the following business:

- (i) minutes of the last meeting;
- (ii) apologies
- (iii) declarations of interest;
- (iv) consideration of any matter referred to the committee sub-committee or panel for a decision in relation to call in of a decision;
- (v) a Councillor Call for Action
- (vi) the business otherwise set out on the agenda for the meeting.

21.2 Where the Overview and Scrutiny Committee, sub-committees or scrutiny panels conduct investigations (e.g. with a view to policy development), the Overview and

Scrutiny Committee, sub-committees or scrutiny panels may also ask people to attend to give evidence at committee meetings which are to be conducted in accordance with the following principles:

- (i) the investigation will be conducted fairly and all members of the sub-committee or panel given the opportunity to ask questions of attendees and to contribute and speak;
- (ii) those assisting the committee by giving evidence be treated with respect and courtesy; and
- (iii) that the investigation be conducted so as to maximise the efficiency of the investigation or analysis.

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

21.4 Following an investigation by any sub-committee or panel the investigating body shall prepare a report for the Overview and Scrutiny Committee which will consider the report for submission to the Executive/and or Council as appropriate.

21.5 Subject to Access to Information and Confidentiality rules, all reports and findings arising from investigations by the Overview and Scrutiny Committee or a sub-committee or Scrutiny Panel shall be made public.

22.0 SCRUTINY COMMITTEE DECISIONS

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

23.0 SCRUTINY OF SERVICE REVIEWS

23.1 The schedule for Service Reviews proposed annually shall be presented to the Overview and Scrutiny Committee for consideration.

23.2 Upon commencement of a Service Review the chairman of the relevant review team shall refer to the scoping of the review and the proposed consultation exercise to the appropriate Scrutiny Panel for approval.

23.3 The Chairman of a Service Review Team shall refer the final review document and improvement plan to the relevant Scrutiny Panel for consideration; whereby the Panel may either accept the Service Review and the proposed improvement plan or request the relevant Service Review Team to undertake further work, but shall not seek to undertake review work itself.

23.4 Progress against a service review improvement plan shall be reported to the relevant Scrutiny Panel by the relevant Portfolio Holder at six month intervals.

23.5 In the case of cross-cutting Service Reviews or a review of areas falling primarily outside Executive responsibilities, the Overview and Scrutiny Committee will determine whether to carry out the review itself or which Sub-Committee or Scrutiny Panel shall carry out the review on its behalf or to establish a further Sub-Committee or Scrutiny Panel to carry out this work.



SECTION 6

FINANCIAL PROCEDURE RULES

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1. STATUS OF FINANCIAL PROCEDURE RULES

- 1.1** Financial procedure rules provide the framework for managing the authority's financial affairs. They apply to every member and officer of the Council and anyone acting on its behalf.
- 1.2** They form an integral part of the regulations and procedures used within the Council and should not be considered in isolation to other parts of the Constitution particularly Contract Procedure Rules and other financial policies and procedures.
- 1.3** The procedure rules identify the financial responsibilities of the Council, executive and scrutiny members, the Head of Paid Service, the Chief Finance Officer and Monitoring Officer.
- 1.4** All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.
- 1.5** The Chief Finance Officer is responsible for maintaining a continuous review of the financial procedure rules and submitting any additions or changes necessary to the Council for approval. This will usually be done during the annual review of the Constitution. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the financial procedure rules to the Council and/or to the Executive members.
- 1.6** The authority's detailed financial procedures, setting out how the procedure rules will be implemented, are contained in the appendices to the financial procedure rules.
- 1.7** Members of Strategic Management Team and Heads of Service are responsible for ensuring that all staff in their service areas are aware of the existence and content of the authority's financial procedure rules and other internal regulatory documents and that they comply with them. They must also ensure that an adequate number of copies are available for reference within their service areas.
- 1.8** The Chief Finance Officer is responsible for issuing advice and guidance to underpin the financial procedure rules that members, officers and others acting on behalf of the authority are required to follow.
- 1.9** Reference to Head of Paid Service, Monitoring Officer, Chief Finance Officer, Members of Strategic Management Team, Heads of Service and Service Managers should be construed with reference to article 12 of this Constitution.
- 1.10** The Council's Strategic Management Team is composed of the Chief Executive, Deputy Chief Executive, and the five Directors.

Financial Regulation A: Financial Management

INTRODUCTION

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

THE COUNCIL

A.2 The Council is responsible for adopting the authority's constitution and members' code of conduct and for approving the policy framework and budget within which the Executive operates. It is also responsible for approving and monitoring compliance with the authority's overall framework of accountability and control. The framework is set out in its constitution. The Council is also responsible for monitoring compliance with the agreed policy and related executive decisions.

A.3 The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the council and its committees. These delegations and details of who has responsibility for which decisions are set out in the constitution.

THE EXECUTIVE

A.4 The Executive is responsible for proposing the policy framework and budget to the Council, and for discharging executive functions in accordance with the policy framework and budget.

A.5 Executive decisions can be delegated to an individual executive member, an officer or a joint committee.

A.6 The Executive is responsible for establishing protocols to ensure that individual executive members consult with relevant officers before taking a decision within his or her delegated authority. In doing so, the individual member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

COMMITTEES OF THE COUNCIL

A.7 The Council has established the following committees:

- Overview and Scrutiny
- Regulatory
- Licensing
- Audit
- Standards

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

THE STATUTORY OFFICERS

Head of Paid Service (and Chief Executive)

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

Monitoring Officer (Head of Governance and Scrutiny Services)

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

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

A.12 The Monitoring Officer is responsible for advising all councillors and officers about who has authority to take a particular decision.

A.13 The Monitoring Officer is responsible for advising the Executive or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

A.14 The Monitoring Officer (together with the Chief Finance Officer) is responsible for advising the Executive or Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- initiating a new policy
- committing expenditure in future years to above the budget level
- incurring inter-service transfers above virement limits
- causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

A.15 The Monitoring Officer is responsible for maintaining an up-to-date Constitution.

Chief Finance Officer (Director of Finance)

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

The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2003.

A.17 The Chief Finance Officer is responsible for:

- the proper administration of the authority's financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital programme
- treasury management.

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

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

Section 114 of the 1988 Act also requires:

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

MEMBERS OF STRATEGIC MANAGEMENT TEAM AND HEADS OF SERVICE

A.19 Members of Strategic Management Team and Heads of Service are responsible for:

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

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

OTHER FINANCIAL ACCOUNTABILITIES

Virement

A.21 The Council is responsible for agreeing procedures for virement of expenditure between budget headings.

A.22 Members of Strategic Management Team and Heads of Service are responsible for agreeing in-year virements within delegated limits, in consultation with the Chief Finance Officer where required. They must notify the Chief Finance Officer of all virements.

Accounting policies

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

Accounting records and returns

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

The annual statement of accounts

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

FINANCIAL REGULATION B: FINANCIAL PLANNING

INTRODUCTION

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

- the corporate plan
- the medium term financial strategy
- the budget
- the capital programme

POLICY FRAMEWORK

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

- corporate plan
- best value performance plan
- capital programme
- capital strategy and asset management plan
- treasury management policy statement
- sustainable community strategy
- crime and disorder reduction strategy
- plans and strategies which together comprise the development plan
- local agenda 21 strategy
- local development framework
- risk management strategy

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

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

Preparation of the corporate plan

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

Preparation of the best value performance plan

- B.6** The Chief Executive is responsible for proposing the best value performance plan (BVPP) to the Executive for consideration before its submission to the Council for approval.

BUDGETING

Budget format

- B.7** The general format of the budget will be approved by the Council and proposed by the Executive on the advice of the Chief Finance Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds where necessary.

Budget preparation

- B.8** The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a medium term financial strategy on a rolling five-yearly basis for consideration by the Executive, before submission to the Council. The Council may amend the budget or ask the Executive to reconsider it before approving it.
- B.9** The Executive is responsible for issuing guidance on the general content of the budget in consultation with the Chief Finance Officer as soon as possible following approval by the Council.
- B.10** It is the responsibility of members of Strategic Management Team and Heads of Service to ensure that budget estimates reflecting agreed service plans are submitted to the Executive and that these estimates are prepared in line with guidance issued by the Executive.

Budget monitoring and control

- B.11** The Chief Finance Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Executive on the overall position on a regular basis.

B.12 It is the responsibility of members of Strategic Management Team and Heads of Service to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

Resource allocation

B.13 The Chief Finance Officer is responsible for developing and maintaining a resource allocation process that ensures due consideration of the Council's policy framework.

Preparation of the capital programme

B.14 The Chief Finance Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Executive before submission to the Council.

Guidelines

B.15 Guidelines on budget preparation are issued to members and members of Strategic Management Team and Heads of Service by the Executive following agreement with the Chief Finance Officer. The guidelines will take account of:

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

MAINTENANCE OF RESERVES

B.16 It is the responsibility of the Chief Finance Officer to advise the Executive and/or the Council on prudent levels of reserves for the authority.

FINANCIAL REGULATION C: RISK MANAGEMENT AND CONTROL OF RESOURCES

INTRODUCTION

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

RISK MANAGEMENT

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

INTERNAL CONTROL

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

AUDIT REQUIREMENTS

- C.7** The Accounts and Audit Regulations 2003 issued by the Secretary of State for the Environment require every local authority to maintain an adequate and effective internal audit.

- C.8** The Audit Commission is responsible for appointing external auditors to each local authority. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.
- C.9** The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

PREVENTING FRAUD AND CORRUPTION

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

ASSETS

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

TREASURY MANAGEMENT

- C.12** The authority has adopted CIPFA's Code of Practice for Treasury Management in the Public Services.
- C.13** The Council is responsible for approving the treasury management policy statement setting out the matters detailed in chapter 6 of CIPFA's Code of Practice for Treasury Management in the Public Services. The policy statement is proposed to the Council by the Chief Finance Officer. The Chief Finance Officer has delegated responsibility for implementing and monitoring the statement.
- C.14** All money in the hands of the authority is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, the Chief Finance Officer.
- C.15** The Chief Finance Officer is responsible for reporting to the Audit Committee a proposed treasury management strategy for the coming financial year at or before the start of each financial year.
- C.16** All executive decisions on borrowing, investment or financing shall be delegated to the Chief Finance Officer, who is required to act in accordance with CIPFA's *Code of Practice for Treasury Management in the Public Services*.
- C.17** The Chief Finance Officer is responsible for reporting to the Executive not less than four times in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

STAFFING

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

FINANCIAL REGULATION D: SYSTEMS AND PROCEDURES

INTRODUCTION

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

GENERAL

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

INCOME AND EXPENDITURE

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

PAYMENTS TO EMPLOYEES AND MEMBERS

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

TAXATION

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

TRADING ACCOUNTS/BUSINESS UNITS

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

FINANCIAL REGULATION E:

EXTERNAL ARRANGEMENTS

INTRODUCTION

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

PARTNERSHIPS

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

EXTERNAL FUNDING

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

WORK FOR THIRD PARTIES

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

Appendix A Financial Management

FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Key controls

1.02 The key controls and control objectives for financial management standards are:

- (a) their promotion throughout the authority
- (b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Executive and Council.

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

MANAGING EXPENDITURE

Scheme of virement

Why is this important?

1.10 The scheme of virement is intended to enable the Executive, members of Strategic Management Team and Heads of Service and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.

Key controls

1.11 Key controls for the scheme of virement are:

- (a) it is administered by the Chief Finance Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Council.
- (b) the overall budget is agreed by the Executive and approved by the Council. Members of Strategic Management Team and Heads of Service and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the approved estimates report, for example the "Supplies and Services" line within a service's budget.
- (c) virement does not create additional overall budget liability. Members of Strategic Management Team and Heads of Service are expected to exercise their discretion in managing their budgets responsibly and prudently. Any virement that would result in a change of policy or a new policy, or that would result in an increased ongoing commitment for the Council will require the approval of the Council.
- (d) a proposed virement in excess of £25,000 must be the subject of a joint report by the Chief Finance Officer and the proposing member of Strategic Management Team or Head of Service to the Executive.

Responsibilities of the Chief Finance Officer

1.12 To prepare jointly with the member of Strategic Management Team or Head of Service a report to the Executive where virements in excess of £25,000 are proposed.

Responsibilities of members of Strategic Management Team and Heads of Service

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

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

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

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 executive members
- vire between budgets managed by different members of Strategic Management Team and Heads of Service.

1.16 Virement that is likely to impact on the level of service activity of another member of Strategic Management Team or Head of Service should be implemented only after agreement with the relevant member of Strategic Management Team or Head of Service.

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

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

- (a) the amount is used in accordance with the purposes for which it has been established.
- (b) the Executive has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive.

ACCOUNTING POLICIES

Why is this important?

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

Key controls

1.20 The key controls for accounting policies are:

- (a) systems of internal control are in place that ensure that financial transactions are lawful

- (b) suitable accounting policies are selected and applied consistently
- (c) proper accounting records are maintained
- (d) financial statements are prepared which present fairly the financial position of the authority and its expenditure and income.

Responsibilities of the Chief Finance Officer

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

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

ACCOUNTING RECORDS AND RETURNS

Why is this important?

1.23 Maintaining proper accounting records is one of the ways in which the authority discharges its responsibility for stewardship of public resources. The authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been

followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

Key controls

1.24 The key controls for accounting records and returns are:

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

Responsibilities of the Chief Finance Officer

1.25 To determine the accounting procedures and records for the authority. Where these are maintained outside the finance service area, the Chief Finance Officer should consult the member of Strategic Management Team or Head of Service concerned.

1.26 To arrange for the compilation of all accounts and accounting records under his or her direction.

1.27 To comply with the following principles when allocating accounting duties:

- (a) separating the duties of providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
- (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

1.28 To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit Regulations 2003.

1.29 To ensure that all claims for funds including grants are made by the due date.

1.30 To prepare and publish the audited accounts of the authority for each financial year, in accordance with the statutory timetable.

1.31 To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule.

Responsibilities of members of Strategic Management Team and Heads of Service

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

THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

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

Key controls

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

Appendix B Financial Planning

PERFORMANCE PLANS

Why is this important?

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

- 2.03** To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.
- 2.04** To contribute to the development of corporate and service targets and objectives and performance information.
- 2.05** To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.
- 2.06** To ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met.

Responsibilities of members of Strategic Management Team and Heads of Service

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

BUDGETING

Format of the budget

Why is this important?

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

Key controls

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

Revenue budget preparation, monitoring and control

Why is this important?

- 2.13** Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.

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

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 Finance Officer

- 2.17** To establish an appropriate framework of budgetary management and control that ensures that:
- (a) budget management is exercised within annual cash limits unless the Council agrees otherwise.
 - (b) each member of Strategic Management Team or Head of Service has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities.
 - (c) expenditure is committed only against an approved budget head.
 - (d) all officers responsible for committing expenditure comply with relevant guidance, and the financial procedure rules.
 - (e) each cost centre has a single named manager, determined by the relevant member of Strategic Management Team or Head of Service. 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 Council, in consultation with the relevant member of Strategic Management Team or Head of Service, where a member of Strategic Management Team or Head of Service is unable to balance expenditure and resources within existing approved budgets under his or her control.

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

2.22 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the member of Strategic Management Team or Head of Service (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 Finance Officer.

2.26 To ensure prior approval by the 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 member of Strategic Management Team or Head of Service where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or member of Strategic Management Team or Head of Service's level of service activity.

Budgets and medium-term planning

Why is this important?

2.29 The authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the authority's plans and policies.

2.30 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets (spending plans) are needed so that the authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.

2.31 Medium-term planning (or a three- to five-year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the authority is always preparing for events in advance.

Key controls

2.32 The key controls for budgets and medium-term planning are:

- (a) specific budget approval for all expenditure
- (b) budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the 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 the Chief Finance Officer

2.33 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.

2.34 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the Council, and after consultation with the Executive and members of Strategic Management Team and Heads of Service.

- 2.35** To prepare and submit reports to the Executive on the aggregate spending plans of service areas and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied.
- 2.36** To advise on the medium-term implications of spending decisions.
- 2.37** To encourage the best use of resources and value for money by working with members of Strategic Management Team and Heads of Service to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- 2.38** To advise the Council on executive proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.

Responsibilities of members of Strategic Management Team and Heads of Service

- 2.39** To prepare estimates of income and expenditure, in consultation with the Chief Finance 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 Finance Officer in accordance with the Council's general directions.
- 2.41** To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.42** In consultation with the Chief Finance Officer and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the appropriate committee.
- 2.43** When drawing up draft budget requirements, to have regard to:
- (a) spending patterns and pressures revealed through the budget monitoring process
 - (b) legal requirements
 - (c) policy requirements as defined by the Council in the approved policy framework
 - (d) initiatives already under way.

Resource allocation

Why is this important?

- 2.44** A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that

resources are fairly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

Key controls

2.45 The key controls for resource allocation are:

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

Responsibilities of the Chief Finance Officer

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

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

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

Capital programmes

Why is this important?

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

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

Key controls

2.52 The key controls for capital programmes are:

- (a) specific approval by the Council for the programme of capital expenditure
- (b) expenditure on capital schemes is subject to the approval of the Chief Finance Officer
- (c) a scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Executive
- (d) proposals for improvements and alterations to buildings must be approved by the appropriate member of Strategic Management Team or Head of Service
- (e) the development and implementation of asset management plans
- (f) accountability for each proposal is accepted by a named manager
- (g) monitoring of progress in conjunction with expenditure and comparison with approved budget.

Responsibilities of the Chief Finance Officer

- 2.53** To prepare capital estimates jointly with members of Strategic Management Team and Heads of Service and to report them to the Executive for approval. The Executive will make recommendations on the capital estimates and on any associated financing requirements to the Council.
- 2.54** To prepare and submit reports to the Capital Programme and Asset Management Working Group on the projected scheme expenditure compared with the approved estimates.
- 2.55** To report the minutes of each meeting of the Capital Programme and Asset Management Working Group to the Executive.
- 2.56** To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Chief Finance Officer, having regard to government regulations and accounting requirements.
- 2.57** To obtain authorisation from the Executive for individual schemes where the estimated expenditure exceeds the capital programme provision by more than 10% of the original sum.

Responsibilities of members of Strategic Management Team and Heads of Service

- 2.58** To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.

- 2.59** To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer.
- 2.60** To prepare reports on expenditure on their projects for inclusion in the report of the Chief Finance Officer to the Capital Programme and Asset Management Working Group.
- 2.61** To ensure that adequate records are maintained for all capital contracts.
- 2.62** To proceed with projects only when there is adequate provision in the capital programme and with the agreement of the Chief Finance Officer, where required.
- 2.63** To prepare and submit reports, jointly with the Chief Finance Officer, to the Executive, of any variation in contract costs greater than the approved limits. The Executive may meet cost increases of up to 10% by virement from savings elsewhere within their capital programme.
- 2.64** To prepare and submit reports, jointly with the Chief Finance Officer, to the Executive, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than 10% of the original sum.
- 2.65** To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, if applicable, approval of the scheme through the capital programme.

MAINTENANCE OF RESERVES

Why is this important?

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

Key controls

- 2.67** To maintain reserves in accordance with the *Code of Practice on Local Authority Accounting in the United Kingdom: 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 member of Strategic Management Team or Head of Service in consultation with the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

Appendix C Risk Management and Control of Resources

RISK MANAGEMENT

Why is this important?

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

Key controls

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

Responsibilities of the Chief Finance Officer

- 3.04** To prepare and promote the authority's risk management policy statement.
- 3.05** To develop risk management controls in conjunction with other members of Strategic Management Team and Heads of Service.

- 3.06** To include all appropriate employees of the authority in a suitable fidelity guarantee insurance.
- 3.07** To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

Responsibilities of members of Strategic Management Team and Heads of Service

- 3.08** To notify the Chief Finance 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 Finance Officer or the authority's insurers.
- 3.09** To take responsibility for risk management, having regard to advice from the Chief Finance 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 service areas.
- 3.11** To notify the Chief Finance 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 Finance Officer and the Head of Legal and Licensing Services 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 Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

- 3.20** To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- 3.21** To review existing controls in the light of changes affecting the authority and to establish and implement new ones in line with guidance from the Chief Finance Officer. Members of Strategic Management Team and Heads of Service 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 2003 (SI 2003/533), regulation 6, 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. In order to maintain its independence the service is managed by the Deputy Chief Executive.

Key controls

3.25 The key controls for internal audit are:

- (a) that it is independent in its planning and operation
- (b) the head of internal audit has direct access to the Head of Paid Service, Chief Finance Officer, all levels of management and directly to elected members
- (c) the internal auditors comply with the 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 Finance Officer

3.26 To ensure that internal auditors have the authority to:

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

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

External audit

Why is this important?

- 3.35** The 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 gives a 'true and presents fair lyview' the financial position of the authority and its income and expenditure for the year in question and complies with the legal requirements.

Key controls

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

Responsibilities of the Chief Finance Officer

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

3.40 To ensure there is effective liaison between external and internal audit.

3.41 To work with the external auditor and advise the Council, executive and members of Strategic Management Team and Heads of Service on their responsibilities in relation to external audit.

Responsibilities of members of Strategic Management Team and Heads of Service

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

Responsibilities of the Chief Finance Officer

- 3.48** To develop and maintain an anti-fraud and anti-corruption policy.
- 3.49** To maintain adequate and effective internal control arrangements.
- 3.50** To ensure that all suspected irregularities are reported to the chief internal auditor, the Head of Paid Service, the Executive and the Audit Committee.

Responsibilities of members of Strategic Management Team and Heads of Service

- 3.51** To ensure that all suspected irregularities are reported to the chief internal auditor.
- 3.52** To instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 3.53** To ensure that where financial impropriety is discovered, the Chief Finance Officer is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.
- 3.54** To ensure that any interests are entered into the Council's register of interests.

ASSETS

Security

Why is this important?

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

Key controls

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

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

Responsibilities of the Chief Finance Officer

3.57 To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £10,000 (equipment) and £25,000 (land and property). The function of the asset register is to provide the authority with information about fixed assets so that they are:

- safeguarded
- used efficiently and effectively
- adequately maintained.

- 3.58** To receive the information required for accounting, costing and financial records from each member of Strategic Management Team or Head of Service.
- 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 members of Strategic Management Team and Heads of Service

- 3.60** To ensure that lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the member of Strategic Management Team or Head of Service in consultation with the Chief Finance Officer, has been established as appropriate.
- 3.61** To ensure the proper security of all buildings and other assets under their control.
- 3.62** Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the member of Strategic Management Team or Head of Service and the Chief Finance Officer.
- 3.63** To pass title deeds to the appropriate officer who is responsible for custody of all title deeds.
- 3.64** To ensure that no authority asset is subject to personal use by an employee without proper authority.
- 3.65** To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority.
- 3.66** To ensure that the service area maintains a register of moveable assets in accordance with arrangements defined by the Chief Finance Officer.
- 3.67** To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 3.68** To consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 3.69** To ensure cash holdings on premises are kept to a minimum.
- 3.70** To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer as soon as possible.
- 3.71** To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Chief Finance Officer, the Executive agrees otherwise.

- 3.72** To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.

Inventories

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

Stocks and stores

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

Intellectual property

Why is this important?

- 3.81** 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.

- 3.82** 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

- 3.83** 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 the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

- 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.

Asset disposal

Why is this important?

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

Key controls

- 3.87** 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.
- 3.88** Procedures protect staff involved in the disposal from accusations of personal gain.

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

TREASURY MANAGEMENT

Why is this important?

- 3.93** 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

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

Responsibilities of Chief Finance Officer – treasury management and banking

- 3.95** 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.
- 3.96** To report four times a year on treasury management activities to the Executive.
- 3.97** To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Chief Finance Officer.

Responsibilities of members of Strategic Management Team and Heads of Service – treasury management and banking

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

Responsibilities of Chief Finance Officer – investments and borrowing

- 3.99** To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by the Council.
- 3.100** To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate member of Strategic Management Team or Head of Service.

3.101 To effect all borrowings in the name of the authority.

3.102 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of members of Strategic Management Team and Heads of Service – investments and borrowing

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

Responsibilities of members of Strategic Management Team and Heads of Service – trust funds and funds held for third parties

3.104 To arrange for all trust funds to be held, wherever possible, in the name of the authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.

3.105 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.

3.106 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

Responsibilities of the Chief Finance Officer – imprest accounts

3.107 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.

3.108 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.

3.109 To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

Responsibilities of members of Strategic Management Team and Heads of Service – imprest accounts

3.110 To ensure that employees operating an imprest account:

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

STAFFING

Why is this important?

3.111 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

3.112 The key controls for staffing are:

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

Responsibilities of the Chief Finance Officer

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

3.114 To act as an advisor to members of Strategic Management Team and Heads of Service on areas such as National Insurance and pension contributions, as appropriate.

Responsibilities of members of Strategic Management Team and Heads of Service

- 3.115** To produce an annual staffing budget in consultation with the Chief Finance Officer.
- 3.116** 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).
- 3.117** To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- 3.118** 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.
- 3.119** To ensure that the Human Resources Manager and the Chief Finance Officer are immediately informed if the staffing budget is likely to be materially over or underspent.

Appendix D Financial Systems and Procedures

GENERAL

Why is this important?

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

Key controls

The key controls for systems and procedures are:

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

Responsibilities of the Chief Finance Officer

4.03 To make arrangements for the proper administration of the authority's financial affairs, including to:

- (a) issue advice, guidance and procedures for officers and others acting on the authority's behalf
- (b) determine the accounting systems, form of accounts and supporting financial records
- (c) establish arrangements for audit of the authority's financial affairs
- (d) approve any new financial systems to be introduced
- (e) approve any changes to be made to existing financial systems

Responsibilities of members of Strategic Management Team and Heads of Service

- 4.04** To ensure that accounting records are properly maintained and held securely.
- 4.05** To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Chief Finance Officer.
- 4.06** To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- 4.07** To incorporate appropriate controls to ensure that, where relevant:
- (a) all input is genuine, complete, accurate, timely and not previously processed
 - (b) all processing is carried out in an accurate, complete and timely manner
 - (c) output from the system is complete, accurate and timely.
- 4.08** To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- 4.09** To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 4.10** To ensure that systems are documented and staff trained in operations.
- 4.11** To consult with the Chief Finance Officer before changing any existing system or introducing new systems.
- 4.12** To establish a scheme of delegation identifying officers authorised to act upon the member of Strategic Management Team or Head of Service's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 4.13** To supply lists of authorised officers, with specimen signatures and financial limits, to the Chief Finance Officer, together with any subsequent variations.
- 4.14** To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 4.15** To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.
- 4.16** To ensure that relevant standards and guidelines for computer systems issued by the member of Strategic Management Team or Head of Service are observed.
- 4.17** To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.

4.18 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:

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

INCOME AND EXPENDITURE

Income

Why is this important?

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

Key controls

4.20 The key controls for income are:

- (a) all income due to the authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed
- (b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- (c) all money received by an employee on behalf of the authority is paid without delay to the Chief Finance Officer or, as he or she directs, to the authority's bank or National Giro account, and properly recorded. The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received
- (d) effective action is taken to pursue non-payment within defined timescales
- (e) formal approval for debt write-off is obtained
- (f) appropriate write-off action is taken within defined timescales
- (g) appropriate accounting adjustments are made following write-off action
- (h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule

- (i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities of the Chief Finance Officer

- 4.21** To agree arrangements for the collection of all income due to the authority and to approve the procedures, systems and documentation for its collection.
- 4.22** To order and supply to service areas all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- 4.23** To agree the write-off of bad debts up to an approved limit in each case and to refer larger sums to the appropriate member of the Executive.
- 4.24** To approve all debts to be written off in consultation with the relevant member of Strategic Management Team or Head of Service and to keep a record of all sums written off up to the approved limit of £1,000 and to adhere to the requirements of the Accounts and Audit Regulations 2003.
- 4.25** To obtain the approval of the appropriate member of the Executive in consultation with the relevant member of Strategic Management Team or Head of Service for writing off debts in excess of the approved limit of £1,000.
- 4.26** To ensure that appropriate accounting adjustments are made following write-off action.

Responsibilities of members of Strategic Management Team and Heads of Service

- 4.27** To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- 4.28** To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 4.29** To authorise appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 4.30** To issue official receipts or to maintain other documentation for income collection.
- 4.31** To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 4.32** To hold securely receipts, tickets and other records of income for the appropriate period.
- 4.33** To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- 4.34** To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on

to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.

- 4.35** To ensure income is not used to cash personal cheques or other payments.
- 4.36** To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this, members of Strategic Management Team and Heads of Service should use established performance management systems to monitor recovery of income and flag up areas of concern to the Chief Finance Officer. Members of Strategic Management Team and Heads of Service have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.
- 4.37** To keep a record of every transfer of money between employees of the authority. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 4.38** To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- 4.39** To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit, and the approval of the appropriate member of the Executive where required.
- 4.40** To notify the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and not later than 15 April.

Ordering and paying for work, goods and services

Why is this important?

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

General

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

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

Key controls

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

- 4.56** To ensure that unique pre-numbered official orders are used for all goods and services, other than the exceptions specified in 4.43.
- 4.57** To ensure that orders are only used for goods and services provided to the service area. Individuals must not use official orders to obtain goods or services for their private use.
- 4.58** To ensure that only those staff authorised by him or her 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.
- 4.59** To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made in inventories or stores records.

- 4.60** To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:
- (a) receipt of goods or services
 - (b) that the invoice has not previously been paid
 - (c) that expenditure has been properly incurred and is within budget provision
 - (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
 - (e) correct accounting treatment of tax
 - (f) that the invoice is correctly coded
 - (g) that discounts have been taken where available
 - (h) that appropriate entries will be made in accounting records.
- 4.61** To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different officer from the person who signed the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.
- 4.62** To ensure that the service area maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Finance Officer.
- 4.63** To ensure that where payments are to be made on a photocopied or faxed invoice, the invoice is certified by the supplier as being a true copy and is further certified by the Senior Accountant or Chief Finance Officer.
- 4.64** To encourage suppliers of goods and services to receive payment by the most economical means for the authority, generally BACS. It is essential, however, that payments made by direct debit have the prior approval of the Chief Finance Officer.
- 4.65** To ensure that the service area obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the Chief Finance Officer, which are in line with best value principles and contained in the authority's contract procedure rules.
- 4.66** To utilise the central purchasing procedures established by the Chief Finance Officer in putting purchases, where appropriate, out to competitive quotation or tender. These will comply with the authority's contract procedure rules and will cover:
- (a) authorised officers and the extent of their authority
 - (b) advertisement for tenders
 - (c) selection of tenderers
 - (d) compliance with UK and EC legislation and regulations

- (e) procedures for the submission, receipt, opening and recording of tenders
- (f) the circumstances where financial or technical evaluation is necessary
- (g) procedures for negotiation
- (h) acceptance of tenders
- (i) the form of contract documentation
- (j) cancellation clauses in the event of corruption or bribery
- (k) contract records

- 4.67** To ensure that employees are aware of the national code of conduct for local government employees (summarised in the procedures and conditions of employment manual).
- 4.68** To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer. This is to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- 4.69** To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer and, in any case, not later than 15 April.
- 4.70** With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- 4.71** To notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 4.72** To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule.

Payments to employees and members

Why is this important?

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

Key controls

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

- (a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to:
 - starters
 - leavers
 - variations
 - enhancementsand that payments are made on the basis of timesheets or claims
- (b) frequent reconciliation of payroll expenditure against approved budget and bank account
- (c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (d) that HM Revenue and Customs regulations are complied with.

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

- 4.81** To ensure appointments are made in accordance with the procedure rules of the authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- 4.82** To notify the Chief Finance Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer.

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

Responsibilities of members

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

TAXATION

Why is this important?

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

Key controls

- 4.91** The key controls for taxation are:

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

Responsibilities of the Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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

Appendix E External Arrangements

PARTNERSHIPS

Why is this important?

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

General

- 5.03** The main reasons for entering into a partnership are:

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

- 5.04** A partner is defined as either:

- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project
- or
- (b) a body whose nature or status give it a right or obligation to support the project.

- 5.05** Partners participate in projects by:

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

- 5.06** Partners have common responsibilities:

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

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

Key controls

5.07 The key controls for authority partners are:

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

Responsibilities of the Chief Finance Officer

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

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

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

5.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of members of Strategic Management Team and Heads of Service

5.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Chief Finance Officer.

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

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

5.14 To ensure that all agreements and arrangements are properly documented.

5.15 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the authority's statement of accounts concerning material items.

EXTERNAL FUNDING

Why is this important?

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

Key controls

5.17 The key controls for external funding are:

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

Responsibilities of the Chief Finance Officer

5.18 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.

5.19 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.

5.20 To ensure that audit requirements are met.

Responsibilities of members of Strategic Management Team and Heads of Service

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

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

WORK FOR THIRD PARTIES

Why is this important?

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

Key controls

5.24 The key controls for working with third parties are:

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

Responsibilities of Chief Finance Officer

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

Responsibilities of members of Strategic Management Team and Heads of Service

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 maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.

5.28 To ensure that appropriate insurance arrangements are made.

5.29 To ensure that the authority is not put at risk from any bad debts.

5.30 To ensure that no contract is subsidised by the authority.

5.31 To ensure that, wherever possible, payment is received in advance of the delivery of the service.

5.32 To ensure that the service area/unit has the appropriate expertise to undertake the contract.

5.33 To ensure that such contracts do not impact adversely upon the services provided for the authority.

5.34 To ensure that all contracts are properly documented.

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



SECTION 7

CONTRACT PROCEDURE RULES

Please note:

- 1) Throughout these Procedure Rules references to the Head of Paid Service, Chief Finance Officer, Monitoring Officer, Strategic Management Team, Director, Heads of Service and Service Managers should be construed with reference to the definitions in Article 12 of this Constitution.**
- 2) Definitions of terms particular to these Procedure Rules appear at the end of this section**

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BRIEF GUIDE TO CONTRACT PROCEDURE RULES

These contract procedure rules (issued in accordance with section 135 of the 1972 Local Government Act) are intended to promote good purchasing practice and public accountability and deter corruption.

Following the rules is the best defence against allegations that a purchase has been made incorrectly or fraudulently.

May, 2011

Officers responsible for purchasing or disposal must comply with these contract procedure rules. They lay down minimum requirements and a more thorough procedure may be appropriate for a particular contract.

For the purposes of these rules, where there is a requirement for communication to be in writing, this shall be deemed to include e-mail and fax transmissions as well as hard copy.

- Follow the rules if you purchase goods or services or order building work.
- Take all necessary legal, financial and professional advice.
- Declare any personal financial interest in a contract. Corruption is a criminal offence.
- Conduct any review and appraise the purchasing need.
- Check whether there is an existing contract you can make use of before undergoing a competitive process.
- Normally allow at least four weeks for submission of bids (not to be submitted by fax or e-mail).
- Keep bids confidential.
- Complete a written contract or council order before the supply or works begin.
- Identify a contract manager with responsibility for ensuring the contract delivers as intended.
- Keep records of dealings with suppliers.
- Assess each contract afterwards to see how well it met the purchasing need and value for money requirements.

1.0 Compliance

- 1.1 Every contract entered into by the Council shall be entered into pursuant to or in connection with the Council's functions and shall comply with:
- (a) all relevant statutory provisions;
 - (b) the relevant European procurement rules (i.e. the EC Treaty, the general principles of EC law and the EC public procurement directives implemented by the UK Regulations);
 - (c) the Council's constitution including these contract procedure rules, the Council's financial procedure rules and scheme of delegation; and
 - (d) the Council's strategic objectives, procurement strategy and policies.
- 1.2 The highest standards of probity are required of all officers and members involved in the procurement, award and management of Council contracts.

2.0 Procurement Plan

- 2.1 For each financial year, the Council shall agree a Procurement Plan setting out its current contracts and contracts to be procured for the forthcoming five financial years.
- 2.2 At the beginning of each financial year, the Council shall publish a PIN in the OJEU listing the contracts for relevant services and supplies which it expects to procure for the financial year. In relation to contracts for works, the Council shall publish a PIN in the OJEU when the works are approved.

3.0 Delegated Authority

- 3.1 Any procurement carried out on behalf of the Council may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's scheme of delegation. Officers with delegated authority may only delegate to other officers who have the appropriate skills and knowledge appropriate to the task. Officers shall be informed by his/her Member of Strategic Management Team, Head of Service or Service Manager of the extent of any delegated authority and any applicable financial thresholds for each procurement.
- 3.2 Within approved budgets and in accordance with the Annual Procurement Plan where applicable, Authorised Officers may authorise members of their staff to place orders against Framework Agreements which have been entered into by the Council. Any contract awards which constitute

Key Decisions or which otherwise fall above the relevant threshold levels or which involve any potential transfer of the Council's employees to a Supplier shall be referred for a decision from the Executive.

- 3.3 Such contracts shall also be referred for a further decision from the Executive to agree an award of contract following a tender evaluation.

4.0 Exempt Contracts, Collaborative and E-Procurement Arrangements

- 4.1 The following contracts are exempt from the requirements of these contract procedure rules:

- (a) individual agency contracts for the provision of temporary staff;
- (b) employment contracts;
- (c) contracts relating solely to disposal or acquisition of an interest in land and
- (d) contracts relating to treasury management transactions.

- 4.2 In order to secure *Value for Money*, the authority may enter in to collaborative procurement arrangements. The *Officer* must consult the *Chief Finance Officer* and the *Director of Legal and Licensing Services* where the purchase is to be made using collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium.

- 4.3 All purchases made via a local authority purchasing and distribution consortium are deemed to comply with these contract procedure rules and no exemption is required. However, purchases above the *EU Threshold* must be let under the *EU Procedure*, unless the consortium has satisfied this requirement already by letting their contract in accordance with the *EU Procedures* on behalf of the authority and other consortium members.

- 4.4 Any contracts entered into through collaboration with other local authorities or other public bodies, where a competitive process has been followed that complies with the contract procedure rules of the leading organization, will be deemed to comply with these contract procedure rules and no exemption is required. However, advice must be sought from the *Chief Finance Officer* and the *Director of Legal and Public Health Protection Services*

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

5.0 Pre-Procurement Procedure

- 5.1 Before commencing a procurement, it is essential that the Authorised Officer leading the procurement has identified the need and fully assessed any options for meeting those needs. Consideration shall be given to the Council's Procurement Strategy as appropriate.
- 5.2 Before undertaking a procurement the Authorised Officer shall:
- (a) establish a business case for the procurement;
 - (b) consider all other means of satisfying the need (including recycling and re-use where appropriate);
 - (c) consider whether there is an appropriate Framework Agreement, consortium arrangement or collaborative contract that should be used.

6.0 Estimating the Contract Value

- 6.1 The Council should make the best use of its purchasing power by aggregating purchases wherever possible. Particular supplies, services or works shall not be split in an attempt to avoid the applicability of these contract procedure rules or the EU Regulations.
- 6.2 Contract values for contracts of four years or less shall be calculated by estimating the aggregated value over the total life of the contract. For contracts of more than four years contract values shall be calculated by estimating the aggregated value over the first four years only.

7.0 Low Value Procurement

- 7.1 Competitive quotations are not required for contracts or orders with an estimated value of below £1,000, although the purchaser should still have regard to the need to ensure that the Council gets "best value". Unless a purchase card (or, if buying from Banner, the internet) is used, the electronic purchase order (eProc) shall specify the services, supplies or works to be provided and set out the price and terms of payments. Any appropriate Framework Agreements in place shall be used regardless of value, provided the procedure rule requirements in relation to delegated authority are met.
- 7.2 When using purchasing cards or buying from Banner over the internet staff should adhere to the relevant procedures.

8.0 Intermediate Value Procurement

- 8.1 For procurements valued over £1,000 but at or below £10,000 at least 2 written quotes shall be invited before a formal electronic purchase order is

issued specifying the supplies, services or works to be provided unless the appropriate officer considers that it is in the best interests of the Council to obtain one quotation only. Clear reasons for this must be recorded.

- 8.2 For procurements valued over £10,000 but at or below £50,000 at least 3 written quotes shall be invited before a formal electronic purchase order is issued specifying the supplies, services or works to be provided unless the works, supplies or services are of a particularly specialist nature and are only available from one supplier. In such cases it is permissible to use that supplier provided that the price payable is considered reasonable and is pre-quoted in writing.
- 8.3 Published catalogue prices, faxed or emailed quotations are acceptable for these purposes.
- 8.4 For regular repeat orders, where no contract is in place, there is no need to go through a process of normal market testing on each occasion, provided that prices remain constant, or decline, in line with general market levels.
- 8.5 Where it is in the interests of the Council to accept a tender or quote other than the lowest, a report as to the reasons must be submitted to the appropriate Member of the Executive before any tender or quote is accepted and, for the avoidance of doubt, any proposed decision to accept such a quote/tender shall be subject to scrutiny and no quotation shall be accepted until the scrutiny process is complete.
- 8.6 At the discretion of the relevant member of the Strategic Management Team, Head of Service or Service Manager prospective contractors for intermediate value procurements may be financially evaluated by arrangement with the Director of Finance.

9.0 High Value Procurements

- 9.1 For procurements valued at above £50,000, a contract award procedure shall be conducted in accordance with these contract procedure rules. The outcome of the contract award procedure shall be recorded in the Contracts Register.
- 9.2 For all procurements valued at above £50,000:
 - (a) Prior written approval of the proposed contract award procedure including the evaluation criteria to be applied, shall be sought from the appropriate member of the Executive
 - (b) Prior to the commencement of the contract procedure the Authorised Officer shall develop the Procurement Approach which shall set out the information contained in Appendix 1.
- 9.3 One of four contract award procedures shall be used as appropriate for the particular procurement i.e. open, restricted, competitive dialogue or

negotiated. Where the negotiated procedure is used it is important to comply with the current guidance.

- 9.4 Where the risk in a specific procurement is perceived to be high, then that procurement shall be treated as a High Value Procurement.
- 9.5 Any procurement that may involve a transfer of staff shall be treated as a High Value Procurement.
- 9.6 Where it is in the interests of the Council to accept a tender or quote other than the lowest, a report as to the reasons must be submitted to the appropriate member of the Executive before any tender or quote is accepted and, for the avoidance of doubt, any proposed decision to accept such a quote/tender shall be subject to scrutiny and no quotation shall be accepted until the scrutiny process is complete.
- 9.7 All prospective contractors for high value procurements must be financially evaluated by arrangement with the Director of Finance. Procurements below the £50,000 threshold may be evaluated at the discretion of the relevant member of the Strategic Management Team, Head of Service or Service Manager.

10.0 Contracts Subject to the EU Regulations

- 10.1 Where an estimated value of a contract exceeds the current EU threshold then the contract shall be tendered in accordance with the EU Regulations. Under the Regulations, the contract may be tendered under the open, restricted, competitive dialogue, or, in some circumstances, the negotiated procedure. A contract notice in the prescribed form shall be published in the OJEU in order to invite tenders for or expressions of interest for Part A Services contracts and supplies and works contracts subject to the rules. Contracts for Part B Services do not need to be advertised in OJEU. However, the rules relating to technical specifications and the publication of contract award notices shall be observed for all contracts as shall the EC Treaty and the general principles of EC law including non-discrimination, equal treatment, proportionality and transparency.
- 10.2 The Regulations set out the minimum timescales for receipt of expressions of interest and tenders (bids for the negotiated procedure). Where the Council has published a Prior Information Notice announcing its forthcoming contracts for the year ahead, then the Council may rely on reduced timescales if appropriate.

11.0 Open Procedure

- 11.1 The Council publishes a notice. All suppliers expressing an interest are invited to tender. If publication of a notice in OJEU is not required then, the notice shall be published in at least one of the following: the local press, the Council's website, and any appropriate national press and/or

trade journals in order to target the appropriate market for the particular contract. The advertisement shall contain details of the proposed contract and specify a time limit within which interested parties may express an interest in tendering for the contract. After the expiry of the deadline date for expressions of interest, the Council shall send any party expressing an interest an ITT. The ITT shall specify the return date for tenders.

12.0 Restricted Procedure

- 12.1 The Council publishes a notice. Only those suppliers selected by the Council are invited to tender. Suppliers shall be selected on the basis of published pre-qualification criteria.
- 12.2 If publication of a notice in OJEU is not required the advertising requirements are the same as in the open procedure except that the notice shall state that a restricted procedure is being used. If the Regulations apply a minimum of five suppliers shall be invited to tender and in all other cases a minimum of three shall be invited to tender.

13.0 Competitive Dialogue

- 13.1 The Council publishes a notice. Only those suppliers selected by the Council are invited to negotiate. Suppliers are selected on the basis of published pre-qualification criteria.
- 13.2 A dialogue is conducted with the short-listed suppliers, one by one, in order to identify a suitable solution.
- 13.3 Confidential information provided by participants at any stage of the dialogue cannot be communicated without their agreement.
- 13.4 When the appropriate solution has been selected, and the specification finalised, short-listed suppliers are invited to tender against that specification.

14.0 Negotiated Procedure

- 14.1 The Council publishes a notice. Only those suppliers selected by the Council are invited to negotiate. Suppliers are selected on the basis of published pre-qualification criteria.
- 14.2 If a publication of a notice in the OJEU is not required, the advertising requirements are the same as in the restricted procedure, except where the procurement falls within one of the exemption provisions of the Regulations. Any notice shall state that a negotiated procedure is being used.

- 14.3 At least two officers, at least one of whom shall be a Member of Strategic Management Team, Head of Service or Service Manager or their delegate, shall be present at all times during the negotiations.
- 14.4 The Council shall keep proper records of all negotiations and these shall be signed as such by all participants.
- 14.5 At all times during the negotiations, the Council shall consider and implement the principles of non-discrimination, equal treatment and transparency.

15.0 Pre-qualification

- 15.1 The Council shall only enter into a contract with a Supplier if it is satisfied as to the Supplier's –
- (a) eligibility;
 - (b) financial standing, if relevant.
 - (c) technical capacity.
- 15.2 Technical capacity includes the Supplier's quality management systems including human resources, health and safety and environmental management systems where relevant to the performance of the contract.

16.0 The Invitation to Tender

- 16.1 The ITT or ITN shall include details of the Council's requirements for the particular contract including:
- (a) a description of the services, supplies or works being procured;
 - (b) the procurement timetable including the tender return date and time, which shall allow a reasonable period for the applicants to prepare their tenders;
 - (c) a specification and instructions on whether any variants are permissible;
 - (d) the Council's terms and conditions of contract ;
 - (e) the evaluation criteria;
 - (f) pricing mechanism and instructions for completion;
 - (g) whether the Council is of the view that TUPE may apply;
 - (h) form and content of method statements to be provided;

- (i) rules for submitting of tenders and whether tenders may be submitted electronically;
- (j) any further information which will inform or assist tenderers in preparing tenders.

16.2 ITT's and ITN's may be dispatched to bidders electronically if appropriate.

17.0 Submission and Opening of Tenders

17.1 Tenders shall be submitted in accordance with requirements set out in the ITT. Any tenders received shall be addressed to the Authorised Officer in a sealed envelope endorsed with the word "Tender" followed by the subject matter to which it relates. Tenders shall be kept in a safe place by the Authorised Officer and remain unopened until the time and date specified for its opening. No tenders received after the specified date and time for receipt of tenders shall be accepted or considered by the Council unless the Authorised Officer is satisfied that there is sufficient evidence for the tender having been despatched in sufficient time for it to have arrived before the closing date and time.

17.2 Tenders shall be opened by the Authorised Officer and at least one other officer nominated by the Chief Executive. An immediate record should be made of the tenders received including names, addresses and the date and time of opening.

18.0 Electronic Tendering

18.1 RFQs and ITTs may be transmitted to potential bidders by electronic means. For contracts below the threshold for formal tendering, quotations may be submitted by electronic means provided that the authorised officer keeps an electronic record of each such quotation for at least 4 years.

18.2 For contracts over the threshold for formal tendering, electronic tenders may be accepted if a suitable e-tendering system is used to maintain the security and probity of electronic tenders in an electronic vault until the allotted tender opening date, and provided that such a system requires at least two authorised officers be present, by means of PIN numbers, when the electronic vault is opened.

19.0 Tender Evaluation

19.1 Tenders subject to the EU Regulations shall be evaluated in accordance with the relevant regulations and the evaluation criteria set out in the ITT. All other tenders shall be evaluated in accordance with the evaluation criteria which were notified to tenderers in the ITT. All contracts, except works contracts where lowest price was predetermined to be the appropriate criteria, shall be awarded on the basis of the offer which

represents Best Value for Money to the Council. The evaluation criteria shall be predetermined and listed in the ITT documentation, in order of importance if applicable. In addition, the criteria shall be strictly observed at all times throughout the contract award procedure by any officer involved in the tender evaluation.

20.0 Post Tender Negotiation

- 20.1 Where a procurement is conducted pursuant to the EU Regulations through either the open or restricted procedures no post tender negotiations are permitted. Authorities may seek clarification from Suppliers where appropriate. If necessary, and for the avoidance of doubt, legal opinion should be sought.
- 20.2 For procurements which are below the EU threshold, post tender negotiation is permitted with any or all the bidders if all the bids received are over the budget. It is also permitted with the bidder who is considered to be the best overall bidder, in line with the weighted evaluation criteria set out in advance, in order to add further value for the Council.
- 20.3 At all times during the procurement the Council shall consider and implement the principles of non-discrimination, equal treatment and transparency.

21.0 Evaluation Team

- 21.1 For each contract above the £50,000 threshold, the Authorised Officer shall form an Evaluation Team with responsibility for evaluating tenders.

22.0 Bonds, Guarantees and Insurance

- 22.1 For high value procurements, the Evaluation Team shall consider as part of its pre-qualification assessment and evaluation process whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred Supplier.
- 22.2 The Evaluation Team shall consider the appropriate type (employee liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.

23.0 Awarding Contracts

- 23.1 The Council shall only award a contract where this is the Best Value for Money.

23.2 A contract may only be awarded by an officer with the requisite delegated authority to award contracts. The Authorised Officer should ensure that the budget holder responsible for the contract has sufficient funds in place to sustain the contract prior to award. For all procurements valued at above £50,000 the decision to award a contract shall be made by the appropriate Member of the Executive.

24.0 Debriefing

24.1 The Authorised Officer responsible for each procurement shall provide a debriefing to unsuccessful tenderers if requested by them.

25.0 Contract Award Notice

25.1 Where a contract has been tendered pursuant to the EU Regulations, the Council shall publish a contract award notice in OJEU no later than 48 days after the date of award of the contract. Contract award notices are not required for Part B Services except where the Council published a contract notice prior to commencement of the procurement.

25.2 Any contract with a value exceeding £50,000 entered into on behalf of the Council in the course of the discharge of an executive function shall be made in writing. Such contracts must either be signed by the Chief Executive or appropriate member of the Executive or made under the common seal of the Council attested by a duly authorised person.

26.0 Contract Terms and Conditions

26.1 Contracts shall be entered into on the Council's terms and conditions, which shall be included with each purchase order and invitation to tender or negotiate.

26.2 Where contracts are subject to the EU Regulations, the rules relating to technical specifications shall be followed and any reference to a technical standard, make or type shall be prefaced with the words "or equivalent". This requirement applies to both Part A and Part B Services.

27.0 Records of Tenders and Contracts

27.1 The Authorised Officer with delegated authority in respect of a particular procurement shall maintain a list of all tenders received.

27.2 Each Member of Strategic Management Team, Head of Service or Service Manager shall maintain his/her own register of all other contracts entered into by his/her department.

27.3 The Council shall maintain a Contracts Register of all contracts awarded above £50,000. This will show contract manager, contract name and purpose, value, supplier and termination date. The Contracts Register may be maintained electronically.

27.4 For every individual contract a Contracts file shall be maintained.

28.0 Framework Agreements

28.1 Framework Agreements may be used where the Council wishes to contract for the supply of supplies, services or works without conducting a new procurement exercise. However, the Framework Agreement may include within its terms a requirement for a mini competitive exercise between those Suppliers who are parties to the Framework Agreements. Any Framework Agreement shall be tendered in accordance with these contract procedure rules. Where the Council has entered into a Framework Agreement through procurement or is able to call off from existing Framework Agreements procured by central government agencies, then the Council may benefit from using those contracts without entering into a separate procurement. Legal advice should be sought as appropriate.

29.0 Procurement by Consultants

29.1 Any consultants used by the Council shall be appointed in accordance with these contract procedure rules. Where the Council uses consultants to act on its behalf in relation to any procurement, then the Authorised Officer shall ensure that the consultants carry out any procurement in accordance with these contract procedure rules. No consultant shall make any decision on whether to award a contract or to whom a contract should be awarded. The Authorised Officer shall ensure that the consultant's performance is monitored.

30.0 Statistical Returns

30.1 Each year the Council shall make a statistical return to DCLG for onward transmission to the European Commission concerning the contracts awarded during the year under the European rules.

30.2 The Chief Finance Officer is responsible for this statistical return and will make the necessary arrangements for information to be collected annually. Members of Strategic Management Team, Heads of Service or Service Managers shall comply with these arrangements.

31.0 Contract Extension

31.1 Any contract may be extended in accordance with its terms. Where the terms do not expressly provide for extension, contracts subject to the

Regulations may be extended by negotiation in accordance with the rules set out in the Regulations. Such extension shall be notified to the Executive.

- 31.2 Other contracts may be extended by negotiation in the same circumstances. The Authorised Officer shall always be satisfied that extension will achieve Best Value for Money and is reasonable in all the relevant circumstances. Such extension shall be notified to the Executive.

32.0 Termination of Contract

- 32.1 For any contract exceeding £50,000 in value, termination shall be approved by the appropriate Member of the Executive. Contracts of a lesser value may be terminated early by agreement prior to the expiry date or in accordance with the termination provisions set out in the contract. Legal advice should be sought as appropriate.

33.0 Waivers of Contract procedure rules

- 33.1 Waivers of any of these contract procedure rules shall only be given in exceptional circumstances and only with the prior written approval of the Chief Executive. Waivers may not be made retrospectively.

34.0 Review and Amendment of Contract procedure rules

- 34.1 These contract procedure rules shall be reviewed and updated on a regular basis, not less than annually. Amended contract procedure rules shall be agreed and adopted by the Executive.

35.0 Contract Documentation

- 35.1 All contract documents shall contain a clause to the effect that a contract will become void if it is subsequently shown that the successful contractor offered or made any inducement, bribe or gift to any member, officer or agent of the Council for the purpose of obtaining or influencing any decision on the contract.
- 35.2 Every contract for the execution of works or the supply of goods or materials by a particular date shall provide for liquidated damages to be paid by the contractor in case the terms of the contract are not fulfilled. The amount of such damages shall be determined by the Chief Finance Officer or appropriate member of the Executive.

36.0 Definitions

“Annual Procurement Plan”

A plan identifying major projects so that appropriate resources can be identified. It also provides a basis for PINs and other information provided to suppliers to give advance notice of bidding opportunities;

“Authorised Officer”

A person with appropriate delegated authority to act on the Council’s behalf;

“Best Value for Money”

The optimum combination of whole life costs and benefits to meet the customer’s requirement. Such term equates to the EU procurement requirement “most economically advantageous offer”;

“Contracts Register”

A register held and maintained by the Council containing details of contracts entered into by the Authority above a threshold value of £50,000;

“Framework Agreement”

An agreement which allows the Council to call off from a supplier to provide supplies, services or works in accordance with the terms of the agreement. The Framework Agreement itself usually constitutes a non-binding offer with no obligations on the Council to call off from the Supplier. If the Council calls off from the Supplier a binding contract comes into being. A Framework Agreement can be a binding agreement where it is executed as a deed;

“ITN”

Invitation to negotiate;

“ITT”

Invitation to tender;

“OJEU”

Official Journal of the European Union;

“PIN”

Prior Information Notice for publication in OJEU;

“Regulations”

The UK regulations implementing the EC public procurement directives;

“RFQ”

Request For Quotation

“Supplier”

Any person or body of persons providing, or seeking to provide, supplies, services or works to an Authority.

Appendix 1 – Procurement Approach

Details of soft market testing undertaken

Link to Strategic Objectives of the Council

Details of Project Owner (ie Officer/Department sponsoring the project)

Expected length of contract

Whether Open, Negotiated or Restricted Procedure is to be used

Project timetable

Budget and proposed payment mechanism

Risk issues and proposed allocation

Proposed project management arrangements

SECTION 8 – EMPLOYMENT PROCEDURE RULES

Note: Throughout this section references to the Head of Paid Service, Chief Finance Officer, Monitoring Officer, Strategic Management Team, Directors, Heads of Service and Service Managers should be construed with reference to definitions in Article 12 of this Constitution.

1. Recruitment and appointment

1.1.1 Declarations

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

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

1.1.2 Seeking support for appointment.

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

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

1.2 Recruitment of Chief Executive (Head of Paid Service), and Deputy Chief Executive (Chief Officer)

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

1.2.1 draw up a statement specifying:

1.2.1.1 the duties of the post concerned; and

- 1.2.1.2 any qualifications or qualities to be sought in the person to be appointed;
- 1.2.2 make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it; and
- 1.2.3 make arrangements for a copy of the statement mentioned in paragraph 1.2.1 to be sent to any person on request.
- 1.2.4 The procedures specified at paragraphs 1.4.1 – 1.4.5.3 shall also apply to the designated Deputy to the Head of Paid Service.

1.3 Officers below Chief Officer Level

Subject to paragraphs 1.3.1, 1.5 and 1.6, the function of appointment and dismissal of, and taking disciplinary action against, an employee of the Council must be discharged, on behalf of the Council, by the Head of Paid Service or by an officer nominated by him/her.

- 1.3.1 Paragraph 1.3 shall not apply to the appointment or dismissal of or disciplinary action against:-
 - 1.3.1.1 the officer designated as the Head of Paid Service;
 - 1.3.1.2 the officer designated as Deputy to the Head of Paid Service (the Deputy Chief Executive)
 - 1.3.1.3 the Chief Finance Officer within the meaning of Section 151 of the Local Government Act, 1972
 - 1.3.1.4 the Monitoring Officer within the meaning of Section 5 of the Local Government and Housing Act, 1989
 - 1.3.1.5 an assistant for a political group appointed in pursuance of section 9 of the 1989 Act.

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

Appointments

- 1.4.1 The appointment or dismissal of the Head of Paid Service will be made following the recommendation of a politically balanced panel of councillors set up for that purpose in accordance with the Council's recruitment and selection policy. That panel must contain at least one member of the Executive and the full Council must approve that appointment before an offer of appointment is made or, as the case may be, must approve that dismissal before notice of dismissal is given.
- 1.4.2 The appointment or dismissal of the Head of Paid Service will be made by a politically balanced panel of councillors set up for that purpose in accordance with the Council's recruitment and selection policy. That panel must include at least one member of the Executive.
- 1.4.3 An offer of an appointment as Head of Paid Service must not be made until:-

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- 1.4.3.1 the politically balanced panel has notified the proper officer of the name of the person to whom it wishes to make the offer and any other particulars which the panel considers are relevant to the appointment;
- 1.4.3.2 the proper officer has notified every member of the Executive ("the Executive") of:-
- (a) the name of the person to whom the panel wishes to make the offer (subject to approval of the Council);
 - (b) any other particulars relevant to the appointment which the panel has notified to the proper officer; and
 - (c) the period within which any objection to the making of the offer is to be made to the proper officer by the Leader of the Council on behalf of the Executive; and
- 1.4.3.3 either -
- (a) the Leader of the Council has, within the period specified in the notice under sub-paragraph (c) above, notified the panel that neither he nor any other member of the Executive has any objection to the making of the offer;
 - (b) the proper officer has notified the panel that no objection was received by him within that period from the Leader of the Council; or
 - (c) the panel (or in the case of the appointment of the Head of Paid Service, the full Council) is satisfied that any objection received from the Leader of the Council within that period is not material or well-founded.
- 1.4.4 Notice of the dismissal as a result of disciplinary action, of an officer referred to in sub-paragraphs 1.3.1.1 to 1.4.3 above must not be given until -

Dismissals

- 1.4.4.1 the panel has notified the proper officer of the name of the person who it wishes to dismiss (in the case of the Head of Paid Service, the Monitoring Officer, or the Chief Finance Officer, subject to the approval of the Council) and any other particulars which it considers are relevant to the dismissal;
- 1.4.4.2 the proper officer has notified every member of the Executive of:-
- (a) the name of the person whom the panel wishes to dismiss;

- (b) any other relevant particulars relevant to the dismissal which the panel has notified to the proper officer; and
- (c) the period within which any objection to the dismissal is to be made by the Leader of the Council on behalf of the Executive to the proper officer; and

1.4.4.3 either:-

- (a) the Leader of the Council has, within the period specified in the notice under sub-paragraph (c) above, notified the panel that neither he nor any other member of the Executive has any objection to the dismissal;
- (b) the proper officer has notified the panel that no objection was received by him within that period from the Leader of the Council; or
- (c) the panel (or in the case of the proposed dismissal of the Head of Paid Service, the full Council) is satisfied that any objection received from the Leader of the Council within that period is not material or well-founded.

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

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

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

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

- (a) the panel has notified the proper officer of the name of the person who it wishes to discipline and any other particulars which it considers are relevant to the action proposed.
- (b) the proper officer has notified every member of the Executive of:-
 - (i) the name of the person whom the panel wishes to discipline

- (ii) any other particulars relevant to the disciplinary action which the panel has notified to the proper officer
- 1.5.3 Notice of the dismissal as a result of disciplinary action, of an officer referred to in paragraph 1.5.1 must not be given until:-
 - (a) the panel has notified the proper officer of the name of the person who it wishes to dismiss and any other particulars which it considers are relevant to the dismissal;
 - (b) the proper officer has notified every member of the Executive of:-
 - (i) the name of the person whom the panel wishes to dismiss
 - (ii) any other particular relevant to the dismissal which the panel has notified to the proper officer.
- 1.5.4 Reference to the Head of Paid Service in paragraphs 1.5.1 to 1.5.3 shall also apply to the Deputy Chief Executive when acting in that behalf.
- 1.5.5 The proper officer for the purposes of the rules shall be as specified in paragraph 1.4.5.

1.6 Appeals

Nothing in paragraph 1.3 shall prevent a member from serving on a committee or sub-committee established by the Council to consider an appeal by:-

- 1.6.1 a person against any decision relating to the appointment of that person as an employee of the Council; or
- 1.6.2 an employee of the Council against any decision relating to the dismissal of, or taking disciplinary action against, that employee.

1.7 Disciplinary action - Head of Paid Service, Monitoring Officer, and Chief Finance Officer

- 1.7.1 No disciplinary action in respect of the Head of Paid Service, Monitoring Officer, or Chief Finance Officer, except action described in paragraph 1.7.2, may be taken by the Council, or by a Committee, a Sub-Committee, a Joint Committee on which the Council is represented, or any other person acting on behalf of the Council, other than in accordance with a recommendation in a report made by a designated independent person under regulation 7 of the Local Authorities (Standing Orders) (England) Regulations 2001 (investigation of alleged misconduct).
- 1.7.2 The Head of Paid Service, Monitoring Officer, or Chief Finance Officer may only be suspended by a politically balanced panel as referred to in paragraph 1.4.1 and such suspension shall only be for the purpose of investigating the alleged misconduct occasioning the action; and any such suspension must be on full pay and terminate no later than the expiry of two months beginning on the date of such suspension.