

# Public Document Pack

## Cherwell District Council

### Council

Minutes of a meeting of the Council held at Bodicote House, Bodicote, Banbury, OX15 4AA, on 17 December 2012 at 6.30 pm

Present: Councillor Colin Clarke (Chairman)  
Councillor Lawrie Stratford (Vice-Chairman)

Councillor Ken Atack  
Councillor Alyas Ahmed  
Councillor Andrew Beere  
Councillor Maurice Billington  
Councillor Fred Blackwell  
Councillor Norman Bolster  
Councillor Ann Bonner  
Councillor Surinder Dhesi  
Councillor John Donaldson  
Councillor Mrs Diana Edwards  
Councillor Tim Emptage  
Councillor Andrew Fulljames  
Councillor Michael Gibbard  
Councillor Timothy Hallchurch MBE  
Councillor Simon Holland  
Councillor Alastair Milne Home  
Councillor Chris Heath  
Councillor David Hughes  
Councillor Tony Ilott  
Councillor Mike Kerford-Byrnes  
Councillor Kieron Mallon  
Councillor Nicholas Mawer  
Councillor Nigel Morris  
Councillor P A O'Sullivan  
Councillor D M Pickford  
Councillor Lynn Pratt  
Councillor Neil Prestidge  
Councillor Nigel Randall  
Councillor G A Reynolds  
Councillor Daniel Sames  
Councillor Trevor Stevens  
Councillor Rose Stratford  
Councillor Lynda Thirzie Smart  
Councillor Nicholas Turner  
Councillor Douglas Williamson  
Councillor Barry Wood  
Councillor Sean Woodcock

Also Present: Sara Thornton, Chief Constable of Thames Valley Police  
Andy Boyd, Cherwell Local Area Commander

Apologies  
for  
absence: Councillor Patrick Cartledge  
Councillor Margaret Cullip  
Councillor Russell Hurle  
Councillor Victoria Irvine  
Councillor James Macnamara  
Councillor Melanie Magee  
Councillor Jon O'Neill  
Councillor Alaric Rose  
Councillor Leslie F Sibley  
Councillor Douglas Webb

Officers: Sue Smith, Chief Executive  
Calvin Bell, Director of Development  
Ian Davies, Director of Community and Environment  
Martin Henry, Director of Resources / Section 151 Officer  
Kevin Lane, Head of Law and Governance / Monitoring Officer  
James Doble, Democratic and Elections Manager

41 **Declarations of Interest**

There were no declarations of interest.

42 **Communications**

**Councillor Gordon Ross**

The Chairman welcomed Councillor Gordon Ross who had been elected in the recent by-election for Banbury Ruscote Ward.

**Council Tax Setting 2013/14**

The Chairman reported it had become necessary to arrange some extra meetings of Council to deal with the complexities of Council Tax setting this year. He had therefore agreed to call a meeting on Monday 21 January at 6.30pm to consider: the Council Tax Reduction Scheme and Council Tax Base.

Additionally as there could be a delay in the newly elected Police and Crime Commissioner setting the precept, it may not be available for the scheduled for 25 February 2013, If this were the case, on the advice of the Monitoring officer and Section 151 Officer it was planned to adjourn the council tax setting item at the 25 February meeting to Friday 1 March 2013 at 4pm, which was the last possible date for setting the precept so that billing could take place.

## **Engagements**

The Chairman reported that a list of engagements he had attended had been included in the agenda.

### **Councillor Simon Holland**

On the request of the Chairman Council agreed that a leave of absence for up to 6 months be granted to Councillor Simon Holland for personal reasons.

### 43 **Petitions and Requests to Address the Meeting**

There were no petitions or requests to address the meeting.

### 44 **Urgent Business**

There were no items of urgent business.

### 45 **Minutes of Council**

The minutes of the meeting held on 15 October were agreed as a correct record and signed by the Chairman.

### 46 **Thames Valley Police - Address by Chief Constable**

The Chairman welcomed Sara Thornton, Chief Constable of Thames Valley Police and Cherwell Local Area Commander Superintendent Andy Boyd to the meeting.

Chief Constable Thornton addressed the meeting regarding policing in Thames Valley. A number of Members asked questions and answers were duly provided.

The Chairman thanked the Chief Constable and Superintendent Boyd.

### 47 **Minutes**

#### **a) Minutes of the Executive, Lead Member Decisions and Executive Decisions made under Special Urgency**

#### **Resolved**

That the minutes of the meeting of the Executive and Lead Member decisions as set out in the Minute Book be received and that it be noted that since the last meeting of Council, two decisions had been taken that were subject to the special urgency procedures where 28 days notice was not given, they related to a land negotiations update report and the Oxford and Central Oxfordshire and Milton Keynes and south East Midlands City Deals

**b) Minutes of Committees**

**Resolved**

That the minutes of Committees as set out in the Minute Book be received.

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**Questions**

**a) Written Questions**

A written question was submitted by Councillor Beere with regard to flood prevention at Banbury Canalside, an answer was provided by the Executive Lead Member Councillor Gibbard.

**b) Questions to the Leader of the Council**

Questions were asked and answers received on the following issues:

Living Wage: Councillor Ross

Capital Spending in Banbury, Bicester and Kidlington per head of population:

Councillor Emptage

Storm Drains and Flooding: Councillor Woodcock

**c) Questions to Committee Chairmen on the minutes**

There were no questions to Committee Chairman on the minutes of meetings.

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**Motions**

There were no motions.

50

**Appointments to Committees**

The Chairman noted that the Proper Officer had received notification that the Labour Group wished to appoint Councillor Ross to the committee places left vacant by Councillor Parish. Due to an administrative error they had been incorrectly set out on the agenda front page.

**Resolved**

That Councillor Ross be appointed as a committee member on Planning and Licensing Committees and as a substitute on Joint Personnel Committee.

51

**Community Governance Review 2012**

The Chief Executive submitted a report which updated Members on progress of the Community Governance Review, to outline timetables for consultation

and consideration of responses and to appoint a Working Group to carry out detailed work on the Review.

**Resolved**

- (1) That the contents of the report be noted.
- (2) That authority be delegated to the Head of Law and Governance, in consultation with Group Leaders, to appoint two Members per Political Group to a Community Governance Review Working Group.
- (3) That the Head of Law and Governance be given delegated authority to arrange dates of meetings for the Working Group.

52 **Adoption of Joint Contract Procedure Rules and Financial Procedure Rules**

The Head of Law and Governance submitted a report which sought adoption of a common set of Contract Procedure Rules and Financial Procedure Rules for Cherwell District Council and South Northamptonshire Council in order to ensure that the joint procurement and accountancy teams were working to a common set of rules and procedures and to mitigate the risk arising from having different procedural rules at the two Councils.

**Resolved**

That subject to South Northamptonshire Council resolving in similar terms at its meeting on 19 December 2012,:

- (1) The joint Contract Procedure Rules (annex to these minutes as set out in the minute book) be adopted.
- (2) The joint Financial Procedure Rules (annex to these minutes as set out in the minute book) be adopted.

53 **Calendar of Meetings Municipal Year 2013/14**

The Head of Law and Governance submitted a report which sought consideration of the calendar of meetings for the municipal year 2013/14.

**Resolved**

- (1) That the calendar of meetings for the municipal year 2013/14 (annex to the minutes as set out in the minute book) be approved.

54 **Developments in Elections and Electoral Registration - Update Report**

The Chief Executive as Returning Officer and Electoral Registration Officer submitted a report which updated Members on the changes in electoral registration and the annual canvass and sought seek delegated power for the

Chief Executive to resource Individual Electoral Registration in light of these developments.

**Resolved**

- (1) That the further developments in the electoral and electoral registration programme to 2015 be noted and it be agreed that Council receives future reports as appropriate.
- (2) That the publication of the Electoral Registration and Administration Bill be noted.
- (3) That the Chief Executive be given delegated authority to recruit and appoint a 0.5 FTE Project Co-ordinator from May 2013 and processing and canvass staff as required in order to meet the new statutory requirements placed upon the Council with the costs being shared between this Council and South Northamptonshire Council.

The meeting ended at 7.44 pm

Chairman:

Date:

**CHERWELL DISTRICT COUNCIL**  
and  
**SOUTH NORTHAMPTONSHIRE COUNCIL**

**CONTRACT PROCEDURE RULES**

**A note on Interpretation:** reference to *Council* throughout these Rules refers to both Cherwell District Council and South Northamptonshire Council. Any rules peculiar to Cherwell District Council or South Northamptonshire Council alone are set out in text boxes at the appropriate points.

**1 INTRODUCTION**

Supplemented by complementary rules in the Council's Constitution, including its Financial Procedure Rules, these Contract Procedure Rules govern the way in which the Council buys works, supplies and services, whether to meet a current need identified by the Council directly or in response to an expression of interest received from a relevant body under the community right to challenge. They also govern the way in which the Council sells the things it owns, and accordingly support the Council's statutory duty to obtain the best price reasonably obtainable in the disposal of assets belonging to it.

More particularly, by establishing clear guidelines for procuring such works, supplies and services, the Rules:

- underpin the essential need for transparency, integrity and accountability in the procurement process; and
- provide the foundation for achieving value for money in pursuit of the aims and objectives stated in the [Joint Corporate Procurement Strategy and Action Plan](#).

**2 SCOPE OF CONTRACT PROCEDURE RULES**

These Rules (and those complementary rules in the Council's Constitution, including its Financial Procedure Rules) apply to **all** spending on works, supplies and services by the Council. They also apply to the disposal of **all** Council assets.

The Rules also apply whether the Council is dealing on a commercial basis with entities in the private sector or the public sector.

These Rules must also be followed where the Council decides to accept an expression of interest received from a relevant body under the community right to challenge.

Further, the Rules apply to arrangements entered into by the Council in consequence of its having received grant from an outside body to procure a service, or having received income in return for giving another body the right to run a service.

The Rules **do not apply**, however, to contracts of employment or to contracts with Counsel.

Neither do the Rules apply to service level agreements, grant/funding agreements, partnership agreements, memoranda of understanding and similar arrangements **unless** the arrangement involves a financial settlement beyond simple cost recovery.

All contract letting must at all times comply with Public Procurement Legislation (defined in [section 3](#) below) irrespective of local needs or objectives. EU Treaty Principles, in particular, apply to all Council procurement activity, not just to contracts that exceed the relevant EU thresholds (see [section 6](#)).

The Monitoring Officer may amend these Rules where required by statutory change or administrative error.

### 3 DEFINITIONS

Significant terms or phrases used in this document are defined as follows:

**Approved Supplier List** means any list of approved contractors, service providers or suppliers, whether established and maintained by the Council in accordance with the procedure set out in [section 26](#) or established and maintained by another public body or recognised private sector compiler of select lists, and approved for use by the Section 151 Officer.

#### **South Northamptonshire Council**

**Cabinet** means the Council's Cabinet.

**Contract** means an agreement between the Council and any other organisation, including another public authority, made by formal agreement or by issue of a letter of acceptance or official purchase order for Works, Supplies or Services.

**Contracts Register** means the centrally held Contracts Register providing data to aid the management, administration, scrutiny and audit of all Contracts entered into by the Council with a value exceeding £10,000.

**Corporate Contract** means an exclusive agreement between the Council and a contractor which facilitates the placing of orders for known quantities of Supplies and Services on standard terms over a predetermined period which, if the total value of all purchases that could be made under the Corporate Contract exceeds the relevant value in the [EU Procurement Thresholds](#) (see [section 5](#) for determining Contract values), must be no more than 4 years. In this context, the agreement and the orders together constitute a single contract (albeit one in which the scope of the Corporate Contract regularly changes as orders are placed and fulfilled). It is this characteristic that distinguishes the arrangement from, but which otherwise shares similarities to, a [Framework Agreement](#)

**CPR** means the contract procedure rules set out in this document and supplemented by complimentary rules in the Council's Constitution, including its Financial procedure Rules.

#### **Cherwell District Council**

**Executive** means the Council's Executive.

**EU** means the European Union.

**EU Procurement Law** means EU Directive 2004/18/EC (consolidated into English law as the Public Contracts Regulations 2006), EU Directive 2007/66 (consolidated into English law as the Public Contracts (Amendment) Regulations 2009), EU Treaty Principles, relevant case law and any subsequent directives or legislation relating to EU procurement.



**EU Treaty Principles** means the principles of transparency, equal treatment and non-discrimination in the letting of any Contract.

**FoI** means the Freedom of Information Act 2000, the Environmental Information Regulations 2004, the Code of Recommended Practice for Local Authorities on Data Transparency (September 2011) and any subsequent amendment or legislation relating to information disclosure.

**Framework Agreement** means an agreement or other arrangement between the Council (whether acting alone or jointly with other public bodies) and one or more contractors which establishes the terms (in particular the terms as to price and, where appropriate, quantity) under which the Council may place one or more orders with the contractor in the period during which the Framework Agreement applies. Until any orders are placed under the Framework Agreement there is no legally enforceable obligation to supply or purchase any Supplies or Services in connection with it. The placing of orders for Works, Supplies or Services through a Framework Agreement (whether established by the Council or by another public body) will satisfy the call for competition provided Value For Money can be demonstrated. In such cases there is no requirement to subject individual orders to competition because a competitive process will already have been undertaken to establish the Framework Agreement under which they are placed. Where it is proposed to establish a Framework Agreement, and the potential value of all orders that could be placed under it may exceed the relevant value in the [EU Procurement Thresholds](#) (see [section 5](#) for determining Contract values) then its term must be limited to 4 years or less pursuant to EU Procurement Law.

**ITQ** means an invitation to Quote.

**ITT** means an invitation to Tender (or to negotiate, as the case may be).

**JPSG** means the Joint Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer (as Chair)
- The Monitoring Officer
- The Head of Finance and Procurement (unless represented as Section 151 Officer)

or their nominees, who shall, in relation to Contracts exceeding £150,000 in value or amount, make appropriate determinations at key stages of the procurement lifecycle in accordance with the JPSG Core Group's terms of reference as set out in paragraph 2.1 of [Appendix 1](#), and a **Strategy Group** comprising:

- The Chief Executive
- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees, who shall provide a strategic and scrutiny role in relation to the Council's procurement function in accordance with the JPSG – Strategy Group's terms of reference as set out in paragraph 2.2 of [Appendix 1](#).

**Monitoring Officer** means the Head of Law and Governance, who is designated as such under Section 5(1) of the Local Government and Housing Act 1989.

**Most Economically Advantageous Offer** means the offer that is the most economically advantageous from the point of view of the Council taking into account such things as

price, quality, technical merit, aesthetic and functional characteristics, environmental characteristics, potential Social Value, production processes, running costs, cost effectiveness, life-cycle costs, after sales service, technical assistance, delivery date/delivery period and period of completion.

**OJEU** means the Official Journal of the European Union.

**Partnership** means an arrangement involving the Council and one or more organisations from any sector who share the responsibility for agreeing and/or then delivering a set of planned actions and outcomes. The Council may be a major or a minor participant in any such partnership. The CPR does not apply to the creation of any such Partnership but may apply to any activity of the Partnership connected with the letting of Contracts.

**Principal Procurement Decision** means any key procurement decision affecting any Contract having a total value exceeding £500,000 or which falls to be made for the purpose of responding to an expression of interest received from a Relevant Body exercising its Right to Challenge, or awarding a Contract arising from such expression.

**Procurement Manager** means the officer with responsibility for the Council's procurement function.

**Project Officer** means the officer designated by the relevant Head of Service as having responsibility for the planning and co-ordination of any particular procurement project. For the avoidance of doubt, the Project Officer may also be the relevant Head of Service. The Project Officer is accountable for the delivery of the project on time, within budget, and in accordance with all relevant internal procurement rules and Public Procurement Legislation.

**Public Procurement Legislation** means all relevant external procurement rules and regulations, including the Local Government Act 1988 Part II, the Local Government (Contracts) Act 1997, the Local Government Act 1999, the Local Government Act 2000, the Public Services (Social Value) Act 2012, the Localism Act 2012 and EU Procurement Law (including EU Treaty Principles).

**Quotation** means a priced bid for the provision of Works, Supplies or Services applicable to procurements between £500 and £100,000.

**Relevant Body** means a voluntary or community body, a charitable body, a parish council, two or more employees of the Council or such other persons or bodies as may be specified by regulations made by the Secretary of State.

**Relevant Service** means a service provided in the exercise of any of the Council's functions, either by the Council using its own workforce, or provided on its behalf under a service contract or some other arrangement.

**Right to Challenge** means the right embodied in the Localism Act 2012 for a Relevant Body to express an interest in providing or assisting in providing a Relevant Service on behalf of the Council.

**Section 151 Officer** means the officer appointed by the Council for the purposes of Section 151 of the Local Government Act 1972 to administer the financial affairs of the Council.

**Services** means any undertaking that does not constitute Works or a Supply, and includes a Relevant Service.

**Single Source Supplier** means a Contract for which there is reasonably only one supplier.

**Social Value** means the economic, social and/or environmental well-being to which the Council must have regard before commencing an exercise to procure a Contract for the provision of Services to which [EU Procurement Law](#) applies.

**Supply** means the purchase, hire or lease of any goods or materials (including electricity, substances, growing crops and things attached to or forming part of any land) and their siting or installation where this is incidental to the Supply, and **Supplies** shall be construed accordingly.

**Tender** means the formal process for obtaining priced bids for Works, Supplies and/or Services and which must be followed for procurements with a value exceeding £100,000.

**TUPE Regulations** means the [Transfer of Undertakings \(Protection of Employment\) Regulations 2006](#), which preserves the continuity of employment and terms and conditions of employees who are transferred to a new employer in cases where Services are outsourced, insourced or assigned by the Council to a new contractor. Further details are set out in [section 9](#) and in the Government's [Guide to the 2006 TUPE Regulations](#) (published June 2009).

**Value For Money** means the optimum combination of whole life costs, quality and other benefits.

**Works** means the construction, repair or maintenance of a physical asset.

## **CONTRACTS**

### **4 CONFIDENTIALITY**

All information supplied by a bidder invited to submit a Quotation or Tender for a Contract shall be treated in confidence except where references are required to be sought for the purpose of establishing a bidder's credentials, or where disclosure is required to meet an obligation contained in the Public Procurement Legislation (such as supplier debriefing following completion of a competitive tender exercise).

This general duty to maintain confidentiality is, however, subject to the Council's [statutory responsibilities](#) under Fol.

Fol does permit non-disclosure of information which is commercially sensitive, and the Project Officer is therefore recommended to instruct any bidder invited to submit a Quotation or Tender to:

- state clearly which, if any, of the information or other material supplied with their Quotation or Tender is commercially sensitive; and
- explain why, in the bidder's own opinion, commercial sensitivity attaches to that information or other material.

However, whilst bidders may specify in their Quotation or Tender that information or other material being supplied to the Council is commercially sensitive and therefore exempt from disclosure, the Project Officer must make bidders aware when inviting Tenders or Quotations that such information shall be regarded by the Council as having indicative value only and that the Council may nevertheless be obliged to disclose such information if an Fol request is received.

Note under Fol that the Council alone is responsible for determining at its absolute discretion whether confidential, commercially sensitive or other information is exempt from disclosure or is to be disclosed in response to a request for information.

## 5 CALCULATING THE VALUE OF A PROPOSED CONTRACT

When calculating the value of a proposed Contract, the Project Officer should have regard as follows:

- values are total lifetime Contract values, not annual values;
- account must be taken of the potential for exercising any options or any rights of renewal or extension;
- values exclude VAT;
- the estimated value of a Framework Agreement or a Corporate Contract is the total value of all of the purchases which could be made by the Council under that arrangement;
- where a Contract length is unfixed or imprecise, its value shall be assessed on the basis of the amount the Council might spend on it over 48 months;
- where procurement activity is undertaken jointly with another public body, the value of the Contract to each organisation shall be combined for the purpose of determining the applicability of [EU Procurement Thresholds](#) (and the issue of a Contract Notice to OJEU);
- a Contract must not be packaged in such a way that is chiefly intended to evade the point at which any rule in the CPR or the Public Procurement Legislation may bite; and
- consideration should be given to dividing a proposed Contract into Lots to make them more accessible for small and medium enterprises.

## 6 EUROPEAN PROCUREMENT THRESHOLDS

EU Procurement Law shall be complied with in respect of all Contracts having a value that exceeds the relevant EU threshold for the Works, Supplies or Services being procured (see [EU Procurement Thresholds](#)).

**The consequences of failing to do so are severe, whether before a Contract is formally awarded or in the aftermath of that decision:**

**Before the Contract is Signed** the Council:

- Must automatically suspend its award upon receiving, and pending the conclusion of, a legal challenge to that decision.
- May be Ordered to set aside any unlawful decisions taken during the tender process or to amend any unlawful documentation.
- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May be required, by virtue of Part 2 of the Localism Act 2012, to pay all or part of any fine or other EU financial sanction levied against the Government for an infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

**After the Contract is Signed** the Council:

- Could be liable to pay damages to any bidder proving loss arising from the Council's actions.
- May, in any case of serious abuse of EU Procurement Law, be required to cancel its Contract (where a court declares that Contract to be *prospectively ineffective*) and pay a fine.
- May, in any other case, be Ordered to shorten the term of its Contract or pay a fine or both.
- May be required, by virtue of Part 2 of the Localism Act 2012, to pay all or part of any fine or other EU financial sanction levied against the Government for an

infraction of EU Procurement Law in circumstances where the Council has demonstrably caused or contributed to the imposition of that financial sanction.

**Given the draconian consequences that may occur for failing to comply with the public procurement regime, the message is clear: "follow the rules".**

However, EU Treaty Principles apply to all Contracts, not just to those that exceed the EU thresholds (see, for appropriate guidance, [I&DeA Basic Terms and Concepts - Transparency, Equal Treatment and Non-discrimination](#) ).

## 7 COMMENCING A PROCUREMENT

No procurement shall commence without there being sufficient budget available for the Works, Supplies or Services being procured, or an outside body providing grant for the procurement of Works, Supplies or Services having given a binding commitment to the Council to provide those funds.

Further, for all procurements above £5,000 the Project Officer shall first consider and agree with the Procurement Manager:

- Whether the procurement may be of interest to any other public body such that an invitation to join in the procurement should be extended to that other organisation; and
- a timetable for the project.

Where capital expenditure on Works, Supplies or Services has not already been approved by the Council during its budget setting process, the following written authority is required to be obtained by the Project Officer prior to commencing a procurement process:

<b>Estimated Value of Contract</b>	<b>Authority in Writing (Without Prejudice to Superior Authority)</b>
Up to £150,000	Head of Service or such other officer of the Council as the Head of Service may delegate to undertake such responsibility
Between £150,000 and £500,000	Unanimous decision of the JPSG – Core Group (see reporting process in <a href="#">section 8</a> )
<u>Principal Procurement Decision</u>	<b>Cherwell District Council</b> Executive decision
	<b>South Northamptonshire Council</b> Cabinet decision

### Dealing With Expressions Of Interest Received Under The Right To Challenge

The Council has a **duty** to consider any expression of interest received from a Relevant Body wanting to run a Relevant Service on behalf of the Council. The Council shall fulfil that duty as follows.

Where an expression of interest for a Relevant Service is received by the Council, the head of service responsible for the service to which the Relevant Service relates shall:

- inform the Procurement Manager and the Head of Law and Governance of its receipt without delay; and
- forthwith check that it meets the minimum requirements specified in the Localism Act 2012 and accompanying regulations. Expressions of interest must contain:

1	information about the financial resources of the Relevant Body (and the financial resources of any consortium member or sub-contractor with whom the
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	Relevant Body proposes to deliver the Relevant Service)
2	evidence of the Relevant Body's capability to provide or assist in providing the Relevant Service (and the capability of any consortium member or sub-contractor with whom the Relevant Body proposes to deliver the Relevant Service)
3	Information about the Relevant Service sufficient to identify it and the geographical area to which it relates
4	information about the outcomes to be achieved, particularly how the provision or assistance will add Social Value to the Council's area and how it will meet users' needs
5	details about how, in any case where the Relevant Body consists of Council employees, those employees will engage with other employees of the Council affected by the Relevant Service

For each and every expression of interest received, the relevant head of service shall issue the necessary notifications required by the Localism Act 2012 and accompanying regulations in consultation with the Procurement Manager and the Head of Law and Governance, including publication as necessary on the Council's website.

The relevant head of service shall report each and every expression of interest to its Executive or Cabinet as appropriate, and seek recommendation from it to **accept**, **reject** or **modify** that expression as appropriate.

Where recommendation is made to **accept** the expression of interest the Council shall, following notification of the Council's acceptance to the Relevant Body, **proceed to carry out a procurement exercise in respect of the Relevant Service in conformity with the CPR**. It shall also specify in such manner as it thinks fit (which must include publication on the Council's website):

- the **minimum period** that will elapse between:
  - the date of the Council's decision to accept the expression of interest, and
  - the date on which it will begin the procurement exercise for the Relevant Service, and
- the **maximum period** that will elapse between those dates.

An expression of interest may only be **rejected** where:

1	it does not comply with any of the requirements specified in the Localism Act 2012 and accompanying regulations
2	the Relevant Body provides information in the expression of interest which in the opinion of the Council, is in a material particular inadequate or inaccurate
3	the Council considers, based on the information in the expression of interest, that the Relevant Body or, where applicable (a) any member of the consortium of which it is a part, or (b) any sub-contractor referred to in the expression of interest is not suitable to provide or assist in providing the Relevant Service
4	it relates to a Relevant Service where a decision, evidenced in writing, has been taken by the Council to stop providing that service
5	The expression of interest relates to a Relevant Service (a) provided, in whole or in part, by or on behalf of the Council to persons who are also in receipt of a service provided or arranged by an NHS body which is integrated with the Relevant Service; and (b) the continued integration of such services is, in the opinion of the relevant authority, critical to the well-being of those persons
6	the Relevant Service is already provided under Contract to the Council or otherwise the subject of a procurement exercise
7	the Council and a third party have entered into negotiations for provision of the



	Relevant Service, which negotiations are at least in part conducted in writing
8	the Council has published its intention to consider the provision of the Relevant Service by a body that 2 or more specified employees of the Council propose to establish
9	the Council considers that the expression of interest is frivolous or vexatious
10	the Council considers that acceptance of the expression of interest is likely to lead to contravention of an enactment or other rule of law or a breach of statutory duty

Where recommendation is made to **reject** the expression of interest the relevant head of service shall notify the Relevant Body accordingly, giving reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

Recommendation may be made to **modify** an expression of interest **by agreement** with the Relevant Body. The relevant head of service shall notify the Relevant Body of any such recommendation, giving details of the modification sought and the reasons for that decision, and shall also arrange publication of the notification in such manner as he thinks fit on behalf of the Council, which must include publication on the Council's website.

## 8 ROLE OF JPSG

The PSG – Core Group's terms of reference are set out in paragraph 2.1 of Appendix 1.

To obtain authority to begin a procurement process from the JPSG – Core Group (see Table in section 7) the Project Officer must first report to it on:

- the likely total cost of the project;
- the amount and source of the money earmarked for it;
- the length of the proposed arrangement;
- the procedure to be adopted for achieving effective competition;
- the proposed Tender timetable;
- whether procurement jointly with another public body has been considered;
- a summary of how Value for Money and any service improvement requirements will be achieved;
- how what is being procured might improve the economic, social and environmental well-being of the Council's area;
- how the proposed improvements in economic, social and environmental well-being might be secured;
- whether consultation has been, or is proposed to be, undertaken on the potential improvements themselves or how they might be secured;
- details as to whether TUPE is likely to apply (see section 9); and
- the potential risk to the Council (if any) in undertaking the procurement.

After receiving the report of the Project Officer, the JPSG – Core Group will determine whether and, if so, on what basis the procurement can proceed.

The JPSG – Strategy Group's terms of reference are set out in paragraph 2.2 of Appendix 1.

## 9 REQUIREMENTS IN RELATION TO TUPE

TUPE, and the interpretation of it, **changes frequently**, and only a brief reference to it is therefore contained within these Rules. The Head of Transformation and / or the Head of Law and Governance can provide further TUPE guidance and advice as necessary or appropriate.

Whenever a new contractor is appointed to take over the provision of an existing Service, employees of the original contractor engaged in the provision of that Service (or the Council, if the Service was provided in-house) may be affected by transferring that Service to another provider. If so, it will be necessary to form a view as to whether TUPE applies, and the advice of the Head of Transformation and the Head of Law and Governance **must** therefore be obtained by the Project Officer before seeking authorisation to commence a procurement project.

If a Contract is likely to involve a transfer of Council staff then it is important that the Project Officer arranges for the Head of Transformation to begin consultation with the relevant employees that will be affected at an early stage. This is good practice and the Council has a statutory obligation to consult under TUPE.

## 10 COMPETITIVE PROCESS

### (a) Number of Tenders/Quotations to be Invited

This rule 10(a) shall apply unless the call for competition is to be waived in accordance with the procedure prescribed in section 17, or the Council's requirement for Works, Supplies or Services is to be satisfied using an established Framework Agreement or Corporate Contract from which the Council is expressly entitled to benefit.

While a formal competitive tendering exercise may be conducted by the Council in relation to any procurement of any value, such a process shall be undertaken by the Council for all Contracts above £100,000 (see table below).

For Contracts below £100,000, Tenders may not be required and a Contract can be awarded on the basis of Quotations received and evaluated in accordance with Value for Money requirements **PROVIDED** all stages of that exercise are nevertheless recorded in writing sufficient to demonstrate the decisions taken are robust, fair and auditable.

Where there are a sufficient number of organisations suited to bid for a particular Contract, the Council may limit the number of potential bidders from whom it may seek Tenders/Quotations as follows:

<b>Estimated Contract Sum</b>	<b>Minimum Number of Bidders Invited to Tender</b>
Works, Services or Supply Contract exceeding relevant <a href="#">EU Procurement Threshold</a>	Determined in consultation with the Head of Law and Governance, having regard to EU tendering requirements
Works, Services or Supply Contract between £100,000 and relevant <a href="#">EU Procurement Threshold</a>	3 Tenders invited
£10,000 to £100,000	3 written Quotations (unless the proposed Contract is likely to be of interest to enterprises from other EU Member States in which event 3 Tenders meaningfully advertised shall be required in accordance with EU Treaty Principles)
£500 to £10,000	2 Quotations (in writing wherever possible)
Up to £500	Procurement Card, petty cash etc. transaction

### (b) Advertising a Contract Opportunity



Where Tenders are required to be obtained (see [section 10a](#)) and:

- the use of an established Framework Agreement or Corporate Contract from which the Council is entitled to benefit is not appropriate or
- the identity of those invited to Tender are not to be determined by reference to an Approved Supplier List ([see below](#))

then the following forms of Contract advertisement shall be considered by the Project Officer:

Estimated Contract Sum	Contract Notice to OJEU	Trade Journal	Council Website	Local Press
Contracts for Works, Services or Supplies <u>above</u> <a href="#">EU Procurement Thresholds</a>	√  (consult Procurement Manager)	√	√	√
Contracts for Works, Services or Supplies <u>below</u> <a href="#">EU Procurement Thresholds</a>	X	Prudent	√	√

Where a procurement project exceeds the [EU Procurement Thresholds](#), the relevant OJEU Notice must be placed in advance of any other advertisement of that Contract opportunity.

For any Contract which does not exceed a relevant value band specified in the [EU Procurement Thresholds](#) the Project Officer may give consideration to inviting bids solely from organisations registered on an Approved Supplier List **PROVIDED** the proposed Contract will not be, in the Project Officer's reasonable opinion, of interest to enterprises from other EU Member States.

### (c) [Shortlisting Applicants to Tender](#)

If, in advertising a Contract opportunity, the Project Officer wishes to shortlist organisations prior to inviting Tenders, the Contract advertisement shall state that any person, firm or organisation wishing to express an interest in the Contract must do so by completing and returning to the Council, by a date specified in the advertisement (being not less than 14 days), a Pre-qualification Questionnaire.

All Pre-qualification Questionnaires accordingly received shall be assessed to determine the acceptability, experience, financial standing, capability and capacity of the organisation concerned to deliver the Works, Supplies or Services required.

The Procurement Manager shall have responsibility for co-ordinating such pre-qualification process, including receiving completed Pre-qualification Questionnaires, and, from those considered eligible to bid for the Contract, the Procurement Manager and the Project Officer shall together compile a shortlist of persons, firms or organisations from whom Tenders may be invited. That shortlist shall have regard to the minimum number of Tenders required in accordance with the Table in [section 10a](#).

When the selection process has been completed, the Procurement Manager shall inform unsuccessful applicants that they were not selected to tender, together with brief reasons as to why they were not so selected.

#### (d) Getting Tenders and Quotations

Where Quotations or Tenders are required, the documentation comprising the ITT or the ITQ shall be based on relevant model documents available from the Procurement Manager.

In either case, the competitive procedure the Project Officer has determined to follow (and which, for openness and transparency, should be recorded in the ITT or ITQ) must be sufficiently structured to ensure the Quotations or Tenders received can be properly compared and evaluated in accordance with Value for Money requirements.

A Tender contest may be conducted by the Project Officer using either the open or restricted procedure. Open tendering means that the opportunity to bid for the Council's Contract shall be open to any supplier who can Tender for the Works, Supplies or Services in accordance with the Council's advertised requirements. In such cases, the Council must consider and evaluate all qualifying bids received. The restricted procedure involves a tender process in which the Council limits the number of prospective tenderers to those who have been shortlisted by it in accordance with the pre-qualification procedure prescribed at section 10(c).

No departure from either the open or restricted tendering procedure, or use of any other procurement procedure permitted by Public Procurement Legislation, shall be permitted without the authorisation of the Section 151 Officer and the Monitoring Officer.

#### (e) Evaluation Criteria

Any ITT or ITQ must contain details as to the criteria for awarding the Contract to which it relates. That criteria must be robust, fair, auditable, compliant with any relevant Public Procurement Legislation and, for any ITT, weighted wherever possible.

The award criteria may be based on price alone or on that which represents the Most Economically Advantageous Offer received.

##### Lowest Price

Awards based on price alone do not permit Value for Money considerations and so will only ever be suitable for Supply Contracts of very low value where the Supplies required can be specified in significant detail at the outset and no after sales service or other special requirements are needed in connection with that Supply.

##### Most Economically Advantageous Offer

Where the Council intends to award a Contract on the basis of the proposal which is the Most Economically Advantageous Offer received, the criteria (and any sub-criteria) to be used in the evaluation shall, as a minimum:

- be pre-determined,
- be listed (in the ITQ) in order of importance,
- be weighted (in the ITT) according to their respective importance (unless, on objective grounds, it is not possible to provide any such weightings),
- be strictly observed at all times throughout the competition for the Contract,
- be framed so as to best achieve any Social Value reported under [section 8](#)
- reflect the principles of Best Value,
- include price,
- be capable of objective assessment, and
- have regard to environmental impact and sustainability considerations relevant to the Works, Supplies or Services being procured.

Where it is possible to apply a scoring matrix to the proposed evaluation criteria, the Contract must be awarded to the tenderer obtaining the highest overall score (i.e., the Most Economically Advantageous Offer) from the evaluation process.

The evaluation must be carried out by a panel consisting of the Project Officer and at least one other officer of appropriate seniority, supported by the Procurement Manager.

Full and complete written records of the evaluation process must be maintained by the Procurement Manager.

**(f) Award**

Value	Authority to Award
Up to £150,000	Relevant Head of Service to approve Project Officer's award recommendation, detailed reasons for such award to be noted in writing on the Project Officer's project file for audit purposes.
Between £150,000 and £500,000	Unanimous decision of the JPSG – Core Group following the Procurement Manager's submission of a report to it on the outcome of the competition, including the Project Officer's recommendation on Contract award.
Principal Procurement Decision	<b>Cherwell District Council</b> Executive decision.
	<b>South Northamptonshire Council</b> Cabinet decision.

All unsuccessful bidders submitting Tenders or Quotations for evaluation by the Council must be informed of the outcome of the competition, including the name of the winning bidder and a brief explanation as to why they were unsuccessful on that particular occasion (for further guidance on *Debriefing*, see [section 10\(g\)](#) below).

**(g) Standstill ('Alcatel') Period and Award Notices**

Acceptance of any tender governed by EU Procurement Law is subject to a standstill period before any Contract with the preferred tenderer can be concluded. The standstill period (also known as the 'Alcatel' period for the case (Alcatel Austria and Others v Bundesministerium für Wissenschaft und Verkehr (C-81/98)) from which the law emerged) describes the period between communication of the outcome of the tender process to all those who participated in it and the formal conclusion of the Contract and is intended to provide such participants with an opportunity to challenge the award of a Contract (e.g., because the Council has failed to follow the stated/prescribed tender procedure) before the Contract is finally concluded at the end of the standstill. The period is **10 days** if the Council's decision is communicated electronically or **15 days** from despatch if sent by any other means. In either case the standstill must end on a working day. Project Officers are recommended to send decision notices electronically.

The standstill period is triggered only by sending an award decision notice to all those who bid for the Contract which contains an explanation of:

- the criteria used to make the award
- the reasons for the Council's decision, including the characteristics and relative advantages of the successful tenderer
- the scores of both the successful tenderer and the recipient of the notice

- the reasons why the recipient did not meet any technical specification (where applicable)
- the name of the bidder awarded the Contract and
- the date on which the standstill period is expected to end

The requirement to notify bidders in this way, coupled with the sanctions available to them which may arise from any failure by the Council to follow EU Procurement Law (see [Section 6](#)), highlights the need for a robust, fair and auditable evaluation process.

## 11 INSURANCE

At the commencement of any procurement exercise, the Project Officer and the Head of Finance and Procurement shall together determine the type and level of insurance cover required in relation to a particular procurement. The Project Officer shall ensure the successful bidder has any required insurance cover in place before performance of the Contract begins, and shall further ensure, at appropriate intervals, that such cover is maintained by the Contractor throughout the Contract period.

## 12 PARENT COMPANY GUARANTEES AND PERFORMANCE BONDS

Before commencing any tendering exercise for a Contract exceeding £150,000 in value of amount, the Project Officer and the Head of Finance and Procurement shall together determine the need for, and value of, any parent company guarantee and/or performance bond necessary in relation to that procurement.

The Head of Finance and Procurement may also require any Contract below £150,000 to be supported by a parent company guarantee and/or performance bond for such amount as the Head of Finance and Procurement may consider necessary or appropriate in all the circumstances.

**The Project Officer shall ensure the successful tenderer has any required parent company guarantee and/or performance bond in place before the Contract is commenced.**

## 13 TENDER ADMINISTRATION: PROCEDURE FOR ISSUING, SUBMISSION AND OPENING OF TENDERS

### (a) Issuing of tenders

The Project Officer must inform the Procurement Manager of the closing date for the receipt of tenders so that all necessary and appropriate arrangements can be made in respect of their opening (see [section 13c](#)).

All Tenders must be returned by tenderers using the Council's standard Tender return label, which the Project Officer can obtain from the Procurement Manager.

### (b) Submitting tenders

All Tenders must be returned to the Procurement Manager in an envelope provided for the purpose. Tenders must not be returned to the Project Officer, a Council Member or to any consultant acting on the Council's behalf.

Every ITT shall state that no Tender shall be considered unless it is returned to the Procurement Manager in the envelope provided by the date and time specified in the ITT.

Tenderers shall be responsible for ensuring their Tender is physically received by the Council by the specified time and date ~ late Tenders cannot be considered for

evaluation or acceptance by the Council in any circumstances, even if the Tenderer asserts their Tender was placed in the post before the return date.

If late tenders are received then these must be retained and endorsed to that effect by the Procurement Manager who will then open them in the presence of the Project Officer. The Project Officer must advise the tenderer concerned that their Tender was received or delivered late to the Council thereby preventing its consideration, and inform them that, unless they require it to be returned to them, the Tender shall be destroyed by the Council after a period of 14 days.

There must be no name or mark on the Tender return envelope indicating the tenderer's identity, otherwise the Tender will be deemed to be invalid.

### **(c) Opening tenders**

Tenders shall be kept secure by the Procurement Manager until they are ready to be opened.

All Tenders for a particular Contract shall be opened together at one time by the Procurement Manager in the presence of the Project Officer and at least one other Council officer of appropriate seniority.

Appropriate Council Members may attend the opening of Tenders on the Council's premises.

No other persons other than those herein specified shall be permitted to attend the opening of Tenders.

Details of all valid Tenders received, and the prices and other pertinent details connected therewith, shall be recorded in the register kept for that purpose by the Procurement Manager, and the register shall be signed by both the Procurement Manager, the Project Officer and all other attendee(s) present at Tender opening.

### **(d) Abnormally Low Tenders**

Where the rates and price(s) submitted by one or more tenderers is prima facie abnormally low or otherwise unrealistic, the Procurement Manager shall ask the tenderers concerned in writing to clarify their Tender proposals within the parameters prescribed by Regulation 30(7) of the Public Contracts Regulations 2006 and shall, with the Project Officer, assess the merits or otherwise of the explanations given before making any recommendation as to approval or rejection of those Tenders as appropriate.

### **(e) Post Tender Dialogue**

Subject to section 14, post Tender discussion with tenderers is only permitted for the purpose of:

- clarifying with a tenderer details of any errors of arithmetic discovered in their Tender in order that they may either confirm or withdraw the Tender or amend it in order to correct those errors; or
- clarifying or supplementing the content of a Tender or the requirements of the Council, and providing that this does not involve discrimination or unfairness to any other entity participating, or who participated, in the Tender exercise.

## **14 POST TENDER NEGOTIATIONS**

The following provisions apply to negotiations with bidders for any Council Contract, and the consequential amendments to Tenders and Quotations, otherwise than in accordance with any formal process permitted by the Public Procurement Legislation.

The Project Officer may negotiate **with the bidder submitting the Most Financially Advantageous Offer** to obtain improvements in terms of price, delivery or content, but the Project Officer shall not alter the original specification unless the budget identified for the procurement is exceeded or the Monitoring Officer and the Section 151 Officer together consider other special circumstances exist, in which case all those persons who originally submitted a Tender for the Contract shall be given an opportunity to re-tender.

Negotiation after receipt of formal Tenders/Quotations and before the letting of a Contract shall not take place without the written authorisation of the relevant Head of Service (in relation to Contracts below £150,000) or the JPSG – Core Group (where the value of the Contract exceeds £150,000) and shall be undertaken in accordance with arrangements approved by the Monitoring Officer and the Section 151 Officer.

Amendments to Tenders and Quotations, once agreed, shall be put in writing and signed by the tenderer.

## 15 QUALIFIED SUBMISSIONS

Tenders or Quotations must not be qualified or accompanied by statements that might be construed as rendering them equivocal. Any bidder whose submission is found to contain a qualification which would give that organisation an unfair advantage over other participants in the competitive process must be asked either to withdraw the qualification or withdraw the bid. The Monitoring Officer's decision as to whether or not a submission is in an acceptable form will be final.

## 16 VARIANT BIDS

A variant bid is a modified or alternative Tender or Quotation. A bidder may submit a variant proposal in addition to one that conforms to the requirements of the original specification provided:

- express provision is made for this in the ITT/ITQ documentation and any notice or advertisement relating thereto;
- the variant bid is free of qualifications, states all cost implications, identifies all deviations from the project specification or brief and all risks and contingencies and nevertheless complies with the Council's minimum core requirements; and
- the Project Officer does not commit the Council to considering any such bid received.

If a variant bid is considered, it must be evaluated in accordance with the award criteria specified in the ITT or ITQ, and a tenderer may be awarded a Contract on the basis of a variant bid if this meets the Council's minimum core requirements.

## 17 WAIVERS

The Council does not have the power to waive the applicability of Public Procurement Legislation.

Subject to Public Procurement Legislation, therefore, and in particular to EU Procurement Law (see further section 6), the requirement to seek Tenders or Quotations may be waived as follows:

<b>Value</b>	<b>Authority to Waive</b>
Below £10,000	Head of Service

Above £10,000	Monitoring Officer and Section 151 Officer
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Exceptions where the rules can be waived are set out in Appendix 3.

## 18 e-PROCUREMENT

Wherever possible, procurement should be undertaken electronically, subject to the existence of appropriate and secure processes and systems.

LG Improvement and Development (formerly the IDeA) has produced guidance on the implementation of electronic tendering solutions, which can be found at <http://www.idea.gov.uk/idk/core/page.do?pagelId=82667> and <http://www.idea.gov.uk/idk/aio/70859>.

This guidance sets out some of the benefits which can be achieved for both public authorities and suppliers from the effective use of electronic tendering (e-tendering) in public procurement. It also offers guidance on implementing e-tendering solutions.

## 19 COUNCIL TERMS OF CONTRACT

Wherever practicable, model forms of Contract developed or approved for use by the Council must be used as the basis for contracting with any entity to whom is awarded a Contract by the Council.

Where Quotations are to be invited (see [section 10a](#)) and a model Contract is not readily available, and nor has one been prepared by the Head of Law and Governance specifically for use in connection with the relevant procurement, then any Contract entered into by the Council shall be placed on a Council Purchase Order or otherwise approved by the Head of Law and Governance.

Where Tenders are to be invited (see [section 10a](#)) and a model Contract is not readily available, or the Project Officer considers the relevant model is not appropriate given the nature, value and/or complexity of the Works, Supplies or Services wishing to be acquired, then such a Contract shall be in a form prepared and/or approved by the Head of Law and Governance.

## 20 EXECUTION OF CONTRACTS

Every Contract which exceeds £150,000 in value or amount shall be executed under seal.

Every Contract below £150,000 in value or amount may be executed under seal or may be signed on behalf of the Council by a signatory authorised to do so by the Council's constitution.

## 21 CONTRACT COMMENCEMENT

As a general rule, the Project Officer shall not authorise performance of any Contract, nor raise any Purchase Order in connection with it, unless and until all of the documents comprising the Contract have been executed by all of the parties to it, unless the Purchase Order itself comprises the Contract (see [section 19](#)).

However, where there are exceptional circumstances requiring a successful tenderer to commence performance of a Contract prior to its execution as a matter of urgency (to avoid delay and increased costs on the Contract), the Project Officer must satisfy the Monitoring Officer and the Section 151 Officer before authorising such commencement that:

- the contractor has confirmed in writing its unequivocal commitment to:



- perform the Contract in accordance with the established terms, and
- execute the document comprising those terms when it is available and to indemnify the Council against any breach of such undertakings;
- any performance bond or parent company guarantee required under the terms of the Contract has been received from the contractor's surety or parent company or the surety or parent company has written to the Project Officer confirming the relevant organisation's agreement to be bound by the terms of such performance bond or parent company guarantee from the date of such communication;
- a certificate of insurance has been received from the contractor's insurers to confirm all requisite insurance cover is in place; and
- the Head of Finance and Procurement has undertaken appropriate financial checks on the contractor to establish its financial capability to undertake the Contract.

## 22 RECORD RETENTION

All Contracts executed under seal (including the winning Tender and any documentation supplementary thereto) shall be held by the Head of Law and Governance for safe keeping.

All other procurement documentation, including all expressions of interest, Pre-qualification Questionnaires, ITTs, unsuccessful Tenders, Quotations and Contracts executed under hand, shall be held by the relevant Head of Service in accordance with any relevant records management and/or records retention policy adopted by the Council.

For the avoidance of doubt, all unsuccessful Tenders and Quotations and any documentation ancillary thereto shall be kept safe and secure by the relevant Head of Service for a period of 12 months from the date of Contract award whereupon such documents shall be destroyed.

## 23 CONTRACTS REGISTER

The Contracts Register comprises a corporate record of all "live" Contracts over £10,000 entered into by the Council.

Compilation of a Contracts Register satisfies a key component of the Government's transparency agenda and conforms with its Code on Data Transparency.

Accordingly, all Heads of Service **must** ensure that details of all the Contracts in their service area over £10,000 are entered **promptly** and **accurately** on the Register.

## 24 CONTRACT ASSIGNMENTS/ NOVATION

There may be occasions when the contractor to whom an award of Contract was originally made gives notice to the Council that it has transferred responsibility for performance of the Contract to another organisation. Alternatively, that other organisation may give notice to the Council that it has taken on the responsibility for the Contract from the original contractor. Or the Council may itself wish to transfer any responsibilities it may have under a Contract to another organisation. In any such circumstances, the Project Officer must seek assurance from the Head of Law and Governance on whether the transfer (i) is compatible with EU Procurement Law (ii) is otherwise permitted under the terms of the relevant Contract and, if so, (iii) the binding documentation needed to formalise the proposed arrangement; and must also arrange for the Head of Finance and Procurement to undertake (in relation to Contracts transferred by an existing contractor) appropriate financial checks on the new contractor to establish its financial capability to undertake the Contract.

## 25 PARTNERSHIPS AND PARTNERING



Whilst the CPR does not apply to the creation of any Partnership, the CPR will apply to:

- the creation of any other type of collaborative working arrangement which the Council does not define as a Partnership within the meaning set out in the CPR but which may nevertheless embody an ethos of partnership by, for example, the sharing of risk and/or open book accounting; and
- the procurement of any Works, Supplies or Services arising out of or connected with any Partnership with which the Council is involved or such other collaborative working arrangement.

Where the Council is acting jointly with another public body for the procurement of Works, Supplies and/or Services the procurement rules and procedures of the lead organisation effecting that procurement (where that is not the Council) shall apply rather than the CPR. The lead organisation must accordingly confirm that it does have relevant procurement procedure rules that are commensurate with the CPR and that it will ensure these are adhered to. Any such Contract awarded by such lead organisation must however be ratified by the Council in accordance with [section 10\(f\)](#).

## 26 CREATION OF APPROVED SUPPLIER LISTS BY THE COUNCIL

Any Approved Supplier List to be established by the Council for specified categories, values or amounts of Supplies, Services or Work shall be compiled in the following manner:

- The Project Officer shall liaise with the Procurement Manager in seeking to establish any Approved Supplier List;
- Notices inviting applications for inclusion in the Approved Supplier List shall be published not less than 28 days before the Approved Supplier List is compiled in at least one local newspaper and one trade journal and/or approved website; and
- The Approved Supplier List shall be reviewed at yearly intervals by the Procurement Manager and the Head of Service responsible for its compilation and maintenance.

## 27 CONTRACT VARIATIONS

Any variation to a concluded Contract for Works, Supplies or Services (including an extension to the length of any such Contract or a replacement of the original contractor) (**‘the Variation’**) is only permissible if the Variation:

- demonstrably represents Value For Money or is otherwise in the Council’s best interest to progress, and
- can be funded from an approved budget, and
- entails no diminution in any Social Value identified at the commencement of the Contract, and
- does not affect a Service in relation to which an expression of interest has been received under the Right to Challenge which either remains to be considered by the Council or which the Relevant Body does not intend to revive, and

either the Variation **is not substantial** because it:

- is evidenced in writing and authorised in accordance with a clear, precise and unequivocal review clause or option of sufficient specificity set out in the Contract as originally agreed, or
- does not exceed in value the [EU Procurement Thresholds](#) and is below 5% of the price of the original Contract, or
- is intended to give effect to a universal or partial succession to the position of the original contractor following corporate restructuring or insolvency

or the Variation is substantial but it:

- arises from circumstances which the Council acting diligently could not foresee, and
- does not alter its overall nature or scope, and
- does not increase the price by more than 50% of the value of the original Contract.

Any variation outwith these requirements shall fall to be considered and approved by the Monitoring Officer and the Section 151 Officer.

## 28 CONTRACT MANAGEMENT

Heads of Service shall be responsible for the management of all Contracts within their service area (and, for the purpose of this and the following paragraphs in section 28, "Contract" shall include all and any collaborative working arrangements of the type described in section 25).

Contract management is the active monitoring and control of all aspects of the relationship between a contractor and the Council, the aim of which is to ensure the effective delivery of the Works, Supplies and/or Services the subject of the Contract to the agreed price and standard and which is consistent with all legal requirements and financial propriety.

For Contracts within their service area exceeding **£100,000** in value or amount (including any such Contract let in connection with a Partnership with which the Council is involved, whether or not the Council let that Contract) Heads of Service shall produce a report to the Procurement Manager at the end of each financial year documenting:

- the quality of any Supplies or Service provided under any such Contract;
- any problems, issues or disputes (whether in relation to non-performance or otherwise) that arose or which have arisen in respect of any such Contract during the previous financial year;
- whether the contractor has performed the Contract on time and within budget, giving reasons for any delays or cost overruns;
- whether any Social Value perceived at the outset of the procurement has been realised;
- any variations and/or changes to the Contract effected during the previous financial year; and
- where appropriate, proposals for managing the end of the Contract.

**Such report shall be considered by the Head of Law and Governance and the Head of Finance and Procurement who may make appropriate recommendations on the subject matter of or matters arising from such report.**

The Project Officer shall have day to day responsibility for the administration of a particular Contract.

A résumé of the roles and responsibilities of Project Officers, Heads of Service and Directors is set out in Appendix 2.

## 29 TERMINATION

No dispute shall be settled, and no Contract shall be cancelled, without the advice of the Head of Law and Governance and the Head of Finance and Procurement having first been sought as to the legality of any such step and the financial implications arising therefrom.

## DISPOSAL OF ASSETS

## 30 PROCEDURE FOR THE DISPOSAL OF COUNCIL ASSETS

Where the estimated value of an asset is **£50,000** or more, or where the full Council or Cabinet so determines, disposal of that asset shall, unless a valuer with relevant qualifications has certified that an alternative method of disposal would better achieve the Council's aims and objectives, be conducted in one of the following ways using approved agents if appropriate:-

- **Sale by Tender**

- **Ad-hoc Tenders** - At least 14 days notice to be given in such local newspapers circulating in the Council's area and/or in such national journals as the relevant Head of Service considers desirable stating the nature of the asset and inviting tenders for its purchase and stating the last date when tenders will be accepted; or
- **Approved List** - Public notice to be given in respect of a particular transaction in the manner described in Rule 4.1.1 above inviting applications from interested persons to be placed on a list to be approved by the full Council or Cabinet from which prospective purchasers shall be selected and invited to submit tenders.

- **Sale at a Named Figure**

An assessment of the value of the asset shall be made by a valuer with relevant qualifications. The relevant Head of Service shall issue particulars of the asset and the price to all enquiring persons. Details of the asset shall be publicly advertised on at least one occasion and, in the case of land or property, a sign board erected upon the site.

- **Invited Offers**

The asset shall be advertised in accordance with the rules for Sale by Tender but no figure shall be placed in the particulars and interested parties shall be asked to make offers for consideration by the Council. In order to give guidance to prospective purchasers a minimum figure may be quoted where appropriate.

- **Sale by Public Auction**

Properly qualified and experienced auctioneers shall be commissioned to act on behalf of the Council in offering for sale by auction assets in the Council's ownership.

## COMPLIANCE

### 31 STANDARDS OF CONDUCT AND OBSERVANCE OF RULES

All employees involved in the award or the potential award of any Contract or the disposal or potential disposal of any asset shall:

- act with integrity and honesty; and
- exercise all fairness and impartiality; and
- comply with these Contract Procedure Rules; and
- respect the Officer's Code of Conduct; and
- observe any policy adopted by the Council on measures to combat bribery and corruption

and shall report instances of suspected fraud and other irregular activity connected with such award or disposal under any whistleblowing policy adopted by the Council.

ANY MANIFEST OR MATERIAL DEPARTURE FROM THESE RULES OR THE OFFICER'S CODE OF CONDUCT OR ADOPTED ANTI-BRIBERY POLICY IS A DISCIPLINARY OFFENCE.

## PROCUREMENT STEERING GROUP

### TERMS OF REFERENCE

#### 1. INTRODUCTION

1.1 **JPSG** means the Procurement Steering Group comprising a **Core Group** of:

- The Section 151 Officer (as Chair)
- The Monitoring Officer
- The Head of Finance and Procurement (unless represented as Section 151 Officer)

or their nominees, and a **Strategy Group** comprising:

- The Chief Executive
- The JPSG - Core Group and
- Heads of Service invited from those who have undertaken substantial procurement activity over the period since the last Strategy Group meeting.
- The relevant Council Member(s) responsible for procurement (to be invited as appropriate and at least annually) and
- Such other Council Members as any of the Core Group may invite on a case by case basis

or their nominees.

1.2 The JPSG – Core Group may transact its business electronically.

The JPSG – Strategy Group shall meet quarterly. It may otherwise transact its business electronically.

#### 2. TERMS OF REFERENCE OF THE JPSG

2.1 The function of the JPSG – Core Group is to:

- Consider and, if appropriate, authorise the undertaking of any procurement between £150,000 and £500,000 in estimated value or amount, and
- Consider and, if appropriate, approve the award of all Contracts between £150,000 and £500,000 in value or amount.

2.2 The function of the JPSG – Strategy Group is to:

- Perform a strategic and scrutiny role in relation to the Council's commissioning programme and all matters relating to the Council's contracting policy,
- Provide a forum for Project Officers to discuss policy development, seek strategic advice and raise questions, issues and problems with Contract policy,
- Define and spread best-practice as it relates to contracting and Contract management and monitoring,
- Provide advice to Officers as appropriate on contracting issues, and
- Advise Members and the Chief Executive on the need for any revision to the CPR, including changes to financial thresholds.

### **3. PROCEDURES FOR THE JPSG**

- 3.1 The JPSG – Core Group and the JPSG – Strategy Group shall both be chaired by the Monitoring Officer or his/her nominee.
- 3.2 The Procurement Manager shall convene all meetings of the JPSG – Core Group and the JPSG – Strategy Group, and at least two working days before such meeting the Procurement Manager shall send to every member an agenda and copies of all reports.
- 3.3 Members of the JPSG – Core Group and the JPSG – Strategy Group, or their nominees, shall attend any meeting of them when requested to do so.
- 3.4 Minutes shall be made by the Procurement Manager of the proceedings of the JPSG – Core Group and the JPSG – Strategy Group.
- 3.5 Any business of the JPSG – Core Group and the JPSG – Strategy Group may be transacted electronically.

### **4. PERSONNEL, PROPERTY AND INFORMATION TECHNOLOGY MATTERS**

- 4.1 Every report to the JPSG – Core Group which has information technology implications shall be referred to the Head of Finance and Procurement before the report is considered.
- 4.2 Every report to the JPSG – Core Group which has staffing implications shall be referred to the Head of Transformation before the report is considered.
- 4.3 Every report to the JPSG – Core Group which has land and property implications shall be referred to the Head of Regeneration and Housing before the report is considered.

## ROLES AND RESPONSIBILITIES

### Directors:

- Oversee procurement activity within their Directorate and;
- Ensure the requirements of the CPR are upheld at all times.

### Heads of Service

- Ensure there is sufficient budget available for the Works, Supplies and/or Services to be acquired by their Project Officer;
- Ensure that the procurement proceeds in all respects in conformity with the CPR;
- Authorise procurement projects and Contract awards affecting their service with a value below £150,000 (excepting any such project authorisations or Contract awards as may arise from the Right to Challenge, which shall fall to be made by the Council's Executive or Cabinet, as appropriate);
- Respond to expressions of interest received under the Right to Challenge, and issue relevant notifications as appropriate;
- Report to the Executive or Cabinet as appropriate seeking recommendation to approve, reject or modify any expression of interest received under the Right to Challenge;
- Record on the Council's Contracts Register the detail of all Contracts exceeding £10,000 that are awarded in connection with their service area;
- Manage all Contracts within their service area;
- Waive the call for competition (in accordance with the procedure prescribed in [section 17](#)) in relation to procurements below £10,000;
- Produce yearly Contract management reports to the Procurement Manager in accordance with [section 28](#);
- Sign Contracts below £100,000 on the Council's behalf; and
- Review, in conjunction with the Procurement Manager, any Approved Supplier List created by the Council for their service area under [section 26](#).

### Project Officers

- Plan and co-ordinate specific procurement projects;
- Obtain all necessary authorisations (whether from their Head of Service, the JPSG – Core Group, Cabinet or Executive, as the case may be) prior to progressing any stage of a procurement project;
- Draw up or revise Contract specifications;
- Ensure the Contract forms chosen for use in connection with the procurement are fit for their intended purpose;
- Collate and assemble all tender documentation;
- Preserve the confidentiality inherent in any competitive process, particularly in relation to tender evaluation reports, working papers and minutes of meetings;
- Undertake competitive processes, particularly bid evaluations, in such a way as to ensure all bidders are treated fairly and equally;
- Prepare reports to Cabinet or Executive (as the case may be), the JPSG – Core Group, the JPSG – Strategy Group or Service Heads as appropriate;
- Ensure all necessary permissions are concluded before their Contract begins;
- Administer and monitor their Contracts on a day to day basis to ensure compliance with the specified standards;
- Ensure from time to time that information held on the Contracts Register is fully up-to-date; and

- Manage and maintain any Approved Supplier List created by the Council for their service area in conjunction with the Procurement Manager.



### GROUNDS ON WHICH COMPETITION CAN BE WAIVED

1. The rules respecting the requirement to run a competition for Works, Supplies or Services in this CPR may be waived, and a Contract may be awarded directly to a contractor, supplier or service provider (as the case may be) of such Works, Supplies or Services without competition, in any of the specific cases and circumstances laid down in paragraphs (2) to (5) of this Appendix 3. In any other cases, the use of this procedure is not allowed.

2. A competition may be waived for the award of a Contract for Works, Supplies or Services in any of the following cases:

- (a) where no bid or no suitable bid or no requests to participate or no suitable requests for participation have been submitted in response to an open or a restricted competition, provided that the initial conditions of the Contract are not substantially altered.

A bid shall be considered not to be suitable where it is irrelevant to the Contract, being incapable, without substantial changes, of meeting the Council's needs and requirements as specified in the procurement documents.

A request for participation shall be considered not to be suitable where the contractor, supplier or service provider concerned shall or may be excluded pursuant to [Regulation 23 of the Public Contracts Regulations 2006](#) or does not meet the selection criteria for participation set out by the Council;

- (b) where the Works, Supplies or Services can be supplied only by a particular contractor, supplier or service provider for any of the following reasons:

(i) the aim of the procurement is the creation or acquisition of a unique work of art or artistic performance;

(ii) competition is absent for technical reasons;

(iii) the protection of exclusive rights, including intellectual property rights;

The exceptions set out in points (ii) and (iii) only apply when no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement;

- (c) insofar as is strictly necessary for reasons of extreme emergency brought about by events unforeseeable by, and not attributable to, the Council acting diligently.

3. A competition may be waived for the award of a Contract for Supplies:

- (a) where the products involved are manufactured purely for the purpose of research, experimentation, study or development; however, any Contract awarded pursuant to this provision shall not include quantity production to establish commercial viability or to recover research and development costs;

- (b) for additional deliveries by the original supplier which are intended either as a partial replacement of supplies or installations or as the extension of existing supplies or installations where a change of supplier would oblige the Council to acquire supplies having different technical characteristics which would result in incompatibility or disproportionate technical difficulties in operation and

maintenance; the duration of any such Contract as well as that of recurrent contracts shall not, as a general rule, exceed three years;

- (c) for supplies quoted and purchased on a commodity market;
  - (d) for the purchase of supplies on particularly advantageous terms, from either a supplier which is definitively winding up its business activities, or the liquidator in an insolvency procedure, an arrangement with creditors, or a similar procedure under national laws or regulations.
4. A competition may be waived for the award of a Contract for Services where the Contract concerned follows a design contest organised in accordance with EU Procurement Law and is to be awarded, under the applicable rules, to the winner or one of the winners of the design contest; in the latter case, all winners must be invited to participate in the negotiations.
5. A competition may be waived in connection with the procurement of new Works or Services consisting in the repetition of similar Works or Services entrusted to the contractor or service provider to which the Council awarded the original Contract, provided that such new Works or Services are in conformity with a basic project for which the original Contract was awarded. The basic project shall indicate the extent of possible additional Works or Services and the conditions under which they will be awarded.

As soon as the first project is put up for competition, the possible use of this procedure shall be disclosed and the total estimated cost of subsequent Works or Services shall be taken into consideration by the Council when calculating the total cost of a procurement in accordance with section 5 of the CPR.

This procedure may be used only during the three years following the conclusion of the original Contract.

**SOUTH NORTHAMPTONSHIRE COUNCIL**  
and  
**CHERWELL DISTRICT COUNCIL**

# **FINANCIAL PROCEDURE RULES**

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# 1. Financial Procedure Rules

## 1.1 INTRODUCTION

1.1.1 Financial Procedure Rules are part of the constitution and provide the framework for managing the financial affairs of Cherwell and South Northamptonshire Councils. They apply to every Member and all staff of both Councils and anyone acting on their behalf, including contractors. These rules are not intended to be a constraint on service delivery. Both Councils are committed to innovation provided the necessary risk assessment and safeguards are in place. References to "Council" refers to both Cherwell District Council and South Northamptonshire Council. Any rules peculiar to Cherwell or South Northamptonshire alone are indicated as such in the text. These rules must be read with the Contract Procedure Rules which together provide a comprehensive framework for financial management of the Council. Where there is reference to current guidance in these rules this means the latest approved version of that guidance regardless of the references given, which may not always be up to date.

1.1.2 These regulations set out the financial responsibilities of the:

Full Council  
Cabinet (in South Northamptonshire)/Executive (in Cherwell)  
Committees and Sub-Committees  
Chief Executive  
Director of Resources (the "Section 151 Officer")  
Head of Finance and Procurement  
Other Heads of Service

The Chief Executive, Directors and Heads of Service are collectively known as the Joint Management Team (JMT).

1.1.3 Written records must be kept where decision-making has been delegated. The Head of Finance and Procurement should have the original signed copy of all financial delegations. Any reference to writing in this document includes all electronic communication.

1.1.4 All Councillors 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, properly authorised, and delivers value for money.

1.1.5 The Director of Resources, as the Section 151 Officer, is responsible for the financial probity of both Councils.

1.1.6 The Director of Resources, in consultation with the Head of Finance and Procurement, is responsible for maintaining a continuous review of the Financial Procedure Rules and for submitting any additions or changes necessary to both Councils for approval. The Director of Resources may amend these Rules where required by statutory change or administrative error.

1.1.7 The Director of Resources is responsible for reporting breaches of the financial regulations to the relevant Council or to the Cabinet/Executive or [Cherwell only] the relevant portfolio holder or lead member.

**1.1.8 Throughout these rules there is reference to the Section 151 Officer. This is currently the Director of Resources, or their nominated deputy, as required by section 114 of the Local Government Finance Act 1988, who is the Head of Finance and Procurement. Throughout these rules the Head of Finance and Procurement may take action in the absence of the Director of Resources.**

## **1.2 RELATIONSHIP WITH OTHER DOCUMENTS**

1.2.1 These regulations must be read in conjunction with the constitution and the powers set out in the Scheme of Delegation. These regulations work together with the Contract Procedure Rules.

1.2.2 These Financial Procedure Rules set out broad control principles whilst the Detailed Financial Regulations, which appear in each section, set out in more detail how the requirements imposed by the Financial Procedure Rules can be met in practical operational terms.

1.2.3 The Section 151 Officers shall approve such subsidiary rules and procedures as are necessary to support the Financial Procedure Rules.

1.2.4 The Joint Management Team are responsible for ensuring that their staff receive sufficient training to enable them to be aware of, and comply with, the requirements of the Contract Procedure Rules, Financial Procedure Rules and the Detailed Financial Regulations.

1.2.5 The Section 151 Officer is responsible for issuing advice and guidance on any matters related to the Financial Procedure Rules and Detailed Financial Regulations.

1.2.6 In these regulations, all references to Heads of Service apply equally, where appropriate, to the Chief Executive, and Directors.

1.2.7 Nothing in these Financial Procedure Rules prevents expenditure being incurred which is essential to meet any sudden emergency or which is referable to Section 138 of the Local Government Act 1972, subject to such expenditure being reported as soon as practicable to the Cabinet/Executive. This is in line with the urgency powers contained in the Scheme of Delegation.

## **2. Financial Management**

## **2.1 INTRODUCTION**

- 2.1.1 Financial Management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.
- 2.1.2 The responsibilities of the Council, the Cabinet/Executive and Committees are in the Constitution, as are the roles of the statutory officers of the Council. The Council itself must legally provide the Section 151 Officer with sufficient staff, accommodation and other resources to carry out his, or her, statutory duties. The Section 151 officer will determine what he/she deems to be sufficient.

## **2.2 FINANCIAL MANAGEMENT STANDARDS**

- 2.2.1 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 financial control environment which safeguards resources and ensures their optimum use contributes to the goals and requirements of the organisation. .

### **Key Controls**

- 2.2.2 The financial control environment consists of budgetary control, final accounts, governance, financial administration, internal review and external review. It includes:
  - (a) Promotion of the control objectives throughout the Council including controls enforced by the accountancy software
  - (b) A monitoring system to review compliance with financial standards and regular comparisons of performance indicators and benchmark standards that are reported to the Cabinet/Executive and Review and Development/Scrutiny Committees.

### **Responsibilities of the Section 151 Officer**

- 2.2.3 Statutory duty to ensure the proper administration of the financial affairs of the Council.
- 2.2.4 To set the financial management standards and to monitor compliance with them.
- 2.2.5 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 both Councils.
- 2.2.6 To advise on the corporate financial position and on the key strategic controls necessary to secure sound financial management.
- 2.2.7 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.



- 2.2.8 To prepare the revenue budget and the capital programme and to oversee investments in accordance with treasury management policies
- 2.2.9 Statutory duty to report to Council if any decision is made, or about to be made, which involves incurring unlawful expenditure, or an unlawful action resulting in loss or deficiency to the Council, or an unlawful entry in the Council's accounts.

### **Responsibilities of Joint Management Team**

- 2.2.8 To promote the financial management standards set by the Director of Resources in their service areas and to monitor adherence to the standards, ensuring financial implications of decisions are agreed with the Director of Resources or the Head of Finance and Procurement in accordance with the Scheme of Delegation.
- 2.2.9 To promote sound financial practices in relation to the standards, performance and development of staff in their service areas.

### **2.3 VIREMENT**

- 2.3.1 Virement means switching resources between approved estimates or heads of expenditure. It is intended to enable budgets to be managed with a degree of flexibility. The overall policy framework is determined by the Full Council to optimise the use of resources.

#### **Key Controls**

- 2.3.2 Key controls for the scheme of virement are:

- (a) It is administered by the Head of Finance and Procurement within guidelines set by the Full Council. Any variation from this scheme requires the approval of the Full Council.
- (b) The overall budget is recommended by the Cabinet/Executive and approved by the Full Council. Heads of Service and nominated Budget Managers are authorised to incur expenditure in accordance with the estimates that make up the budget. For the purposes of this scheme, a budget head is considered to be a cost centre as detailed in the budget book (which incorporates the General Fund Revenue Budget and the Capital Programme), or, as a minimum, at an equivalent level to the standard service subdivision as defined by the Chartered Institute of Public Finance and Accountancy (CIPFA)'s Service Expenditure Analysis
- (c) Virement must not result in an overall increase in expenditure. The Joint Management Team are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Heads of Service must plan to fund such commitments from within their own budgets.

- (d) Virement shall not be made across funds or across ring-fenced accounts. Resources may not be vired between revenue and capital accounts.

### 2.3.3 Virement powers (revised July 2012) are as follows:

Officer/Body	Power	Constraints
Chief Executive Directors and Heads of Service	<p>The transfer of revenue budget provision within a budget head (i.e. cost centre/ combination of cost centres as set out in the Budget Book)</p> <p>Transfer between budget heads controlled by the same manager</p>	<p>Must not exceed approved net expenditure for budget head.</p> <p>No significant change in Council policy (Cabinet/Executive approval required - see below)</p> <p>Cannot use over £10,000 in additional external income (Section 151 Officer approval required - see below)</p> <p>No increase in future years' net expenditure</p> <p>Signed confirmation by Head of Service</p> <p>Subject to further consideration, no virement involving recharges will be allowed. (N.B. General Fund cost centres only)</p> <p>No virement from specified "Major Budget Heads" (Cabinet/Executive approval required - see below)</p> <p>Formal request to and confirmation by Section 151 Officer</p>
Section 151 Officer	<p>The above plus the transfer of revenue budget provision between budget heads controlled by different managers.</p> <p>Virement which involves additional income over £10,000</p>	<p>Must not exceed overall service net expenditure budget.</p> <p>No significant change in Council policy (Cabinet/Executive approval required - see below)</p> <p>No increase in future years' net expenditure</p>
Cabinet/Executive	<p>Any virement which involves a significant change in Council policy</p>	<p>None, other than statutory constraints and those limits contained within the Budget and Policy Framework Procedure Rules</p>

## 2.4 TREATMENT OF YEAR-END BALANCES

2.4.1 The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward. For the purposes of this scheme, a budget heading is a cost centre as detailed in the Budget Book, or, as a minimum, at an equivalent level to the standard service subdivision as defined by CIPFA in its Service Expenditure Analysis.

## **Key Controls**

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

## **Responsibilities of the Section 151 Officer**

- 2.4.3 To administer the scheme of carry-forward within the guidelines approved by the Full Council.
- 2.4.4 To report all overspend and underspend on service estimates carried forward to the Cabinet/Executive and to the Full Council.

## **Responsibilities of Joint Management Team**

- 2.4.5 Any overspend on service estimates in total on budgets under the control of the Head of Service must be carried forward to the following year and will constitute the first call on service estimates in the following year. The Section 151 Officer will report the extent of overspend carried forward to the Cabinet/Executive and to the Full Council.
- 2.4.6 Net underspend on service estimates under the control of the Head of Service may be carried forward, subject to:
- (a) reporting to the Cabinet/Executive the source of underspend or additional income and the proposed application of those resources
  - (b) the approval of the Full Council where the underspend exceeds 10% of the individual budget heading (where this amounts to £10,000 or more) or £50,000, whichever is less.

## **2.5 ACCOUNTING POLICIES**

- 2.5.1 The Section 151 Officer is responsible for the preparation of the Council's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC [Local Authority Scotland Accounts Advisory Committee]), for each financial year ending 31 March.

## **Key Controls**

- 2.5.2 The key controls for accounting policies are:
- (a) Systems of internal control are in place which 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 Council and its expenditure and income.

### **Responsibilities of the Section 151 Officer**

- 2.5.3 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.

### **Responsibilities of Joint Management Team**

- 2.5.4 To adhere to the accounting policies and guidelines approved by the Section 151 Officer

## **2.6 ACCOUNTING RECORDS AND RETURNS**

- 2.6.1 Maintaining proper accounting records is one of the ways in which the Council discharges its responsibility for stewardship of public resources. The Council has a statutory responsibility to prepare its annual accounts so as 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 value for money in the use of the Council's resources.

### **Key Controls**

- 2.6.2 The key controls for accounting records and returns are:
- (a) all Cabinet/Executive, finance staff and budget managers operate within the required accounting standards and timetables
  - (b) all the Council'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 Section 151 Officer**

- 2.6.3 To determine the accounting procedures and records for the Council. Where these are maintained outside the Finance division, the Section 151 Officer should consult the Head of Service concerned.
- 2.6.4 To arrange for the compilation of all accounts and accounting records under his or her direction.
- 2.6.5 To comply with the following principles when allocating accounting duties:
- (a) separating the duties of providing information about sums due to or from the Council 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.

- 2.6.6 To make proper arrangements for the audit of the Council's accounts in accordance with the Accounts and Audit Regulations (England) Regulation 2011.
- 2.6.7 To ensure that all claims for funds, including grants, are made by the due date.
- 2.6.8 To prepare and publish the audited accounts of the Council for each financial year, in accordance with the statutory timetable and with the requirement for the Full Council (or a Committee) to approve the statement of accounts before the statutory deadline.
- 2.6.9 To administer the Council's arrangements for under and overspends to be carried forward to the following financial year.
- 2.6.10 To ensure the proper retention of financial documents in accordance with the information management policies of the Council.

### **Responsibilities of Joint Management Team**

- 2.6.11 To consult and obtain the approval of the Section 151 Officer before making any changes to accounting records and procedures.
- 2.6.12 To comply with the principles outlined in paragraph 2.6.5 when allocating accounting duties.
- 2.6.13 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements and to ensure there is a clear written scheme of delegation in their area identifying staff with authority to act on their behalf and the limits on that authority.
- 2.6.14 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Section 151 Officer.

## **2.7 THE ANNUAL STATEMENT OF ACCOUNTS**

- 2.7.1 The Council has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Full Council (or a Committee) is responsible for approving the statutory annual statement of accounts.

### **Key Controls**

- 2.7.2 The key controls for the annual statement of accounts are:

- the Council 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 both South Northamptonshire and Cherwell Councils, that officer is the Director of Resources.

- the Council's statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP) (CIPFA/LASAAC).

### **Responsibilities of the Section 151 Officer**

- 2.7.3 To select suitable accounting policies and to apply them consistently.
- 2.7.4 To make judgements and estimates that are reasonable and prudent.
- 2.7.5 To comply with the Code of Practice on Local Authority Accounting 2009 (SORP)
- 2.7.6 To sign and date the statement of accounts, stating that it presents fairly the financial position of the Council at the accounting date and its income and expenditure for each financial year ended 31 March.
- 2.7.7 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.
- 2.7.8 To report to the Cabinet/Executive the outturn figures for the preceding financial year and draw attention to any major departures from budget and/or matters of importance as soon as practicable after the end of that year.

### **Responsibilities of the Joint Management Team**

- 2.7.9 To comply with accounting guidance provided by the Section 151 Officer and to supply the Section 151 Officer with information when required.

## **3. Financial Planning**

### **3.1 INTRODUCTION**

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

- the business plan
- the revenue budget
- the capital programme
- the medium term financial strategy
- the treasury management strategy

- 3.1.2 Where responsibility is given to a Head of Service to report to Cabinet/Executive, this will be carried out following full consultation with the Joint Management Team

### **Policy Framework**

- 3.1.3 The Full Council is 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.
- 3.1.4 The Full Council is responsible for setting the level at which the Cabinet/Executive may reallocate budget funds from one service to another. The Cabinet/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.

## **3.2 BUDGETING**

### **Budget Format**

- 3.2.1 Budgets allow the Council to plan,authorise,monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit. Prudential borrowing is permitted. The general format of the budget will be approved by the Full Council and proposed by the Cabinet /Executive on the advice of the Section 151 Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

### **Budget Preparation**

- 3.2.2 The Section 151 Officer, in consultation with the Joint Senior Management Team, is responsible for ensuring that a revenue budget is prepared on an annual basis and a medium term financial plan on at least a three-yearly basis for consideration by the Cabinet/Executive, before submission to the Full Council. The Full Council may amend the budget or ask the Cabinet/Executive to reconsider it before approving it.
- 3.2.3 The Cabinet/Executive is responsible for issuing guidance on the general content of the budget in consultation with the Section 151 Officer or Head of Finance and Procurement as soon as possible following approval by the Full Council. This takes the form of the issuing of the Budget Book.
- 3.2.4 It is the responsibility of theJoint Management Team to ensure that budget estimates reflecting agreed service plans are submitted to the Cabinet/Executive and that these estimates are prepared in line with guidance issued by the Cabinet/Executive.

## **Budget Monitoring and Control**

- 3.2.5 The Section 151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Cabinet/Executive on the overall position on a regular basis.
- 3.2.6 It is the responsibility of Heads of Service and other budget holders to control income and expenditure within their areas and to monitor performance, taking account of financial information provided by the Section 151 Officer or Head of Finance and Procurement. 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 Section 151 Officer or Head of Finance and Procurement to any problems, and report to the Joint Management Team as soon as possible thereafter.

## **Preparation of the Capital Programme**

- 3.2.7 The Section 151 Officer is responsible for ensuring that a capital programme is prepared on an annual basis for consideration by the Cabinet/Executive before submission to the Full Council. The capital programme is a three year rolling programme based on the priorities of the respective council.

## **Guidelines**

- 3.2.8 Guidelines on budget preparation are issued to Members, and the Joint Management Team by the Cabinet/Executive following agreement with the Section 151 Officer or the Head of Finance and Procurement. The guidelines will take account of:

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

## **Maintenance of Reserves**

- 3.2.9 It is the responsibility of the Section 151 Officer to advise the Cabinet/Executive and/or the Full Council on prudent levels of reserves for the Council.

## **3.3 THE COUNCILS' BUSINESS PLANS**

- 3.3.1 . The purpose of the Business Plan is to explain overall priorities and objectives, current performance, and proposals for further improvement. . It is a key element in the Council's programme of engaging with the public.



## **Key Controls**

3.3.2 The key controls for the plans are:

- (a) to ensure that all relevant plans are produced and that they are consistent
- (b) to produce plans in accordance with any 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 Section 151 Officer**

3.3.3 To advise and facilitate the provision of financial information that needs to be included in plans in accordance with agreed timetables.

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

## **Responsibilities of the Joint Management Team**

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

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

3.3.7 To contribute to the development of plans in line with any statutory requirements.

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

## **3.4 THE BUDGET**

3.4.1 The budget explains the way in which financial control and management will be exercised. The format shapes how the rules around virement operate, outlines the operation of budgets and sets the level at which funds may be reallocated within budgets.

## **Key Controls**

3.4.2 The key controls for the budget are:

- (a) legal requirements and government guidance
- (b) CIPFA's Code of Practice
- (c) available resources and spending pressures.

### **Responsibilities of the Section 151 Officer**

- 3.4.3 To determine the detailed format of the budget

### **Responsibilities of the Joint Management Team**

- 3.4.4 To comply with accounting guidance provided by the Section 151 Officer or Head of Finance and Procurement.

## **3.5 REVENUE BUDGET PREPARATION, MONITORING AND CONTROL**

- 3.5.1 Approval of revenue estimates by Council constitutes authority to incur expenditure as detailed in the budget. Budgetary control is a continuous process, enabling the Council 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.
- 3.5.2 Heads of Service should identify and explain variances against budget in their areas. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the agreed budget.
- 3.5.3 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 Head of Service's scheme of delegation.

### **Key Controls**

- 3.5.4 The key controls for managing and controlling the revenue budget are:
- (a) Budget managers should be responsible only for income and expenditure directly under their control.
  - (b) 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 Section 151 Officer or Head of Finance and Procurement (where indicated\*)**

- 3.5.5 To establish an appropriate framework of budgetary management and control which ensures that:
- (a) Budget management is exercised within approved estimates unless the Full Council agrees otherwise

- (b) Each 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 regulations
- (e) Each cost centre has a single named manager, determined by the relevant 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.

3.5.6 To administer the Council's scheme of virement\*.

3.5.7 To submit reports to the Cabinet/Executive or to the Full Council, in consultation with the Joint Management Team, where it is apparent that a Divisional Budget is, or is likely to be, significantly overspent by financial year-end.

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

### **Responsibilities of the Joint Management Team**

3.5.9 To maintain budgetary control within their divisions, in adherence to the principles in 3.5.5, and to ensure that all income and expenditure are properly recorded and accounted for.

3.5.10 To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the 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.

3.5.11 To ensure that only spending covered by a budget provision is incurred, it shall be the duty of Heads of Service, in consultation with the Joint Management Team, to report to the Cabinet/Executive any overspending or shortfall of income against the approved budget head, other than where such overspendings can be overcome by virement in accordance with 2.3.3 above.

3.5.12 The Joint Management Team must ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.

3.5.13 The Joint Senior Management Team must prepare and submit to the Cabinet/Executive reports on their projected expenditure against budget in consultation with the Section 151 Officer or the Head of Finance and Procurement.

3.5.14 The Joint Management Team must ensure prior approval by the Cabinet/Executive for new proposals, of whatever amount, that:

- (a) create financial commitments in future years
- (b) change existing policies, initiate new policies, cease existing policies or materially extend or reduce the Council's services.

3.5.15 All reports should set out the full financial implications, following consultation with the Section 151 Officer or the Head of Finance and Procurement.

3.5.16 To ensure compliance with the scheme of virement.

3.5.17 To agree with the relevant Head of Service where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Head of Service's level of service activity.

### **3.6 BUDGETS AND MEDIUM TERM PLANNING**

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

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

3.6.3 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 Council is always preparing for events in advance.

#### **Key Controls**

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

- (a) specific budget approval for all expenditure
- (b) that budget managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet/Executive for their budgets and the level of service to be delivered
- (c) that 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 Section 151 Officer**

- 3.6.5 To prepare and submit reports on budget prospects for the Cabinet/Executive, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.
- 3.6.6 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the Full Council and after consultation with the Cabinet/Executive and Heads of Service .
- 3.6.7 To prepare and submit reports to the Cabinet/Executive on the aggregate spending plans of divisions and on the resources available to fund them, identifying, where appropriate, the implications for the level of Council tax to be levied.
- 3.6.8 To advise on the medium-term implications of spending decisions.
- 3.6.9 To encourage the best use of resources and value for money by working with Heads of Service to identify opportunities to improve value for money, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.
- 3.6.10 To advise the Full Council on Cabinet/Executive proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.

#### **Responsibilities of Joint Management Team**

- 3.6.11 To prepare estimates of income and expenditure, in consultation with the Section 151 Officer or Head of Finance and Procurement, to be submitted to the Cabinet/Executive.
- 3.6.12 To prepare budgets that are consistent with guidelines issued by the Cabinet/Executive. The format should be prescribed by the Section 151 Officer in accordance with the Full Council's general directions.
- 3.6.13 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 3.6.14 In consultation with the Section 151 Officer or Head of Finance and Procurement and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the appropriate Committee.
- 3.6.15 When drawing up draft budget requirements, to have regard to:
  - (a) Spending patterns and pressures revealed through the budget monitoring process
  - (b) Legal requirements
  - (c) Policy requirements as defined by the Full Council in the approved policy framework
  - (d) Initiatives already under way.

## **3.7 RESOURCE ALLOCATION**

3.7.1 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**

3.7.2 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 Section 151 Officer**

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

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

### **Responsibilities of Joint Management Team**

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

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

## **3.8 CAPITAL PROGRAMME**

3.8.1 The Section 151 Officer is responsible for ensuring that a rolling three year capital programme is produced on an annual basis for submission to Council.

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

### **Key Controls**

3.8.3 The key controls for capital programmes are:

- (a) Full Council must approve the programme of capital expenditure

- (b) Expenditure on capital schemes is subject to the approval of the Section 151 Officer or the Head of Finance and Procurement.
- (c) A scheme and estimate, including project plan, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Cabinet/Executive.
- (d) Approval by the Cabinet/Executive is required where capital schemes are to be financed from the revenue budget, up to the amount shown in the Capital Programme, and subject to the approval of the Full Council, where the expenditure exceeds this amount
- (e) Schedules for individual schemes within the overall budget approved by the Full Council must be submitted to the Cabinet/Executive for approval (for example, minor works), or under other arrangements approved by the Full Council
- (f) A named manager is responsible for delivery
- (g) Monitoring of progress is undertaken in conjunction with expenditure and comparison with approved budget.

### **Responsibilities of the Section 151 Officer**

- 3.8.4 To prepare capital estimates jointly with the Joint Management Team and to report them to the Cabinet/Executive for approval. The Cabinet/Executive will make recommendations on the capital estimates and on any associated financing requirements to the Full Council.
- 3.8.5 To prepare and submit reports to the Cabinet/Executive on the projected income, expenditure and resources compared with the approved estimates.
- 3.8.6 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the Section 151 Officer, having regard to government regulations and accounting requirements.

### **Responsibilities of Joint Management Team**

- 3.8.8 To comply with guidance concerning capital schemes and controls issued by the Section 151 Officer or Head of Finance and Procurement.
- 3.8.9 To ensure that all capital proposals have undergone a project appraisal in accordance with such guidance.
- 3.8.10 To prepare regular reports reviewing the capital programme provisions for their services. To ensure that adequate records are maintained for all capital contracts.
- 3.8.11 To proceed with projects only when there is adequate provision in the capital programme, and with the agreement of the Section 151 Officer where required.

- 3.8.12 To prepare and submit reports to the Cabinet/Executive, of any variation in contract costs greater than £50,000 or 5% of the contract value, whichever is the greater.
- 3.8.13 To seek approval from the Cabinet/Executive to any proposed amendment to the Capital Programme that cannot be managed through virement powers and where the requirement is less than £50,000. For amendments of £50,000 or more the approval process is via full Council.
- 3.8.14 To authorise additional capital expenditure on the replacement of capital assets, provided it can be financed from an associated insurance claim.
- 3.8.15 To ensure that credit arrangements, such as leasing agreements, are not entered into other than by the Section 151 Officer or Head of Finance and Procurement and, if applicable, approval of the scheme through the capital programme

### **3.9 MAINTENANCE OF RESERVES**

- 3.9.1 The Council 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 Council 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**

- 3.9.2 To maintain reserves in accordance with the Code of Practice on Local Council Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.
- 3.9.3 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- 3.9.4 Authorisation and expenditure from reserves, by the appropriate Head of Service, in consultation with the Section 151 Officer.

#### **Responsibilities of the Section 151 Officer**

- 3.9.5 To advise the Cabinet/Executive and/or the Full Council on prudent levels of reserves for the Council, and to take account of the advice of the external auditor in this matter where available. The levels will normally fall within guidelines published by the Chartered Institute of Public Finance and Accountancy from time to time but will always take full account of associated risks and the assessed needs of the Council.

#### **Responsibilities of Joint Management Team**

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



## **4. Risk Management and Control of Resources**

### **4.1 INTRODUCTION**

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

#### **Risk Management**

4.1.2 The Accounts Audit and Risk Committee at Cherwell and the Audit Committee at South Northamptonshire will approve the Council's Risk Management Policy Statement and Strategy and review the effectiveness of risk management generally. The Policy will be sent to the Cabinet/Executive for endorsement. The Head of Finance and Procurement is responsible for ensuring that proper insurance exists where appropriate.

4.1.3 The Section 151 Officer is responsible for preparing the Council's Risk Management Policy Statement, for promoting it throughout the Council and for advising the Cabinet/Executive on proper insurance cover where appropriate.

#### **Internal Control**

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

4.1.5 The Section 151 Officer and the Monitoring Officer are responsible for advising on effective systems of internal assurance. 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.

4.1.6 It is the responsibility of the Joint Management Team to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

#### **Audit Requirements**

4.1.7 All the activities of the Council are subject to both internal and external audit. The Accounts and Audit (England) Regulations 2011 issued by the Secretary

of State require every local Council to maintain an adequate and effective internal audit of its accounting records and of its system of internal assurance.

4.1.8 The Audit Commission is currently responsible for appointing external auditors to each local Council.

4.1.9 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as Her Majesty's Revenue and Customs (HMRC), who have statutory rights of access.

### **Preventing Fraud, Bribery and Corruption**

4.1.10 The Section 151 Officer and the Monitoring Officer are responsible for the development and maintenance of an anti-fraud and anti-bribery and corruption policy.

### **Assets**

4.1.11 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**

4.1.12 The Council has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.

4.1.13 The Full Council is responsible for approving the Treasury Management Policy Statement setting out the matters required under CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2011 Edition)". The Policy Statement is proposed to the Full Council by the Cabinet/Executive. The Section 151 Officer has delegated responsibility for implementing and monitoring the statement.

4.1.14 All money in the hands of the Council is controlled by the Section 151 Officer as designated under section 151 of the Local Government Act 1972. South Northamptonshire will only take cash in exceptional circumstances.

4.1.15 The Section 151 Officer is responsible for reporting to the Cabinet/Executive 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 as well as a proposed Treasury Management Strategy for the coming financial year at or before the start of each financial year.

4.1.16 All Cabinet/Executive decisions on borrowing, investment or financing shall be delegated to the Section 151 Officer who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.

## **Staffing**

4.1.18 The Head of Paid Service is responsible for determining how officer support is organised.

4.1.19 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 process or other agreed systems for determining the remuneration of a job.

4.1.20 The Head of Paid Service is responsible for controlling total staff numbers by:

- advising the Cabinet/Executive on the budget necessary in any given year to cover estimated staffing levels
- adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- the proper use of appointment procedures

## **4.2 RISK MANAGEMENT**

4.2.1 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.

4.2.2 It is the overall responsibility of the Cabinet/Executive to approve the Council's risk management strategy and to promote a culture of risk management awareness throughout the Council. The Audit Committee at South Northamptonshire and the Accounts Audit and Risk Committee at Cherwell will have initial responsibility for approving the risk management strategy before sending it to the Cabinet/Executive for approval

### **Key Controls**

4.2.3 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 Council
- (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 Council 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 Joint Management Team**

- 4.2.4 To prepare and promote the Council's risk management policy statement.
- 4.2.5 To develop risk management controls in conjunction with their service teams .

### **Responsibilities of the Section 151 Officer**

- 4.2.6 To include all appropriate employees of the Council in a suitable fidelity guarantee insurance.
- 4.2.7 To review annually, or at such shorter period as he/she may consider necessary, all insurance cover in consultation with other Heads of Service as appropriate.
- 4.2.8 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.
- 4.2.9 To maintain a corporate risk register.
- 4.2.10 To formulate the Annual Governance Statement.

### **Responsibilities of Joint Management Team**

- 4.2.11 To notify the Section 151 Officer immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Section 151 Officer or the Council's insurers.
- 4.2.12 To take responsibility for risk management, ensuring that insurance covers are adequate and that good risk management practices are followed in their divisions, having regard to advice from the Section 151 Officer or Head of Finance and Procurement and other specialist officers (e.g. crime prevention, fire prevention, health and safety).
- 4.2.13 To ensure that there are reviews of risk at least once a quarter within their divisions.
- 4.2.14 To notify the Section 151 Officer or Head of Finance and Procurement promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.

- 4.2.15 To consult the Section 151 Officer or Head of Finance and Procurement on the terms of any indemnity that the Council is requested to give.
- 4.2.16 To ensure that employees, or anyone covered by the Council'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.
- 4.2.17 To identify corporate risks in accordance with guidance issued by the Section 151 Officer
- 4.2.18 To identify service risks and maintain and be responsible for service risk registers in accordance with guidance issued by the Section 151 Officer

### **4.3 INTERNAL CONTROLS**

- 4.3.1 The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- 4.3.2 The Council has statutory obligations and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- 4.3.3 The Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.
- 4.3.4 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**

- 4.3.5 The key controls and control objectives for internal control systems are:
- (a) Key controls should be reviewed on a regular basis and the Council should make a formal statement annually as part of the Governance Statement 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 Audit Commission's "Code of Audit Practice for Local Government" and "Statements of Responsibilities of Auditors and Audited Bodies" approved in 2010 to apply to 2010/2011 audits, CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom and with any other statutory obligations and regulations.
- (e) The preparation of an annual governance statement

### **Responsibilities of the Section 151 Officer**

- 4.3.6 To assist the Council 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.
- 4.3.7 To prepare the annual governance statement for signing by the Leader of the Council and the Head of Paid Service.

### **Responsibilities of Joint Management Team**

- 4.3.8 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.
- 4.3.9 To review existing controls in the light of changes affecting the Council and to establish and implement new ones in line with guidance from the Section 151 Officer. Heads of Service should also be responsible for removing controls that are unnecessary or not cost- or risk-effective – for example, because of duplication.
- 4.3.10 To ensure staff have a clear understanding of the consequences of lack of control.

## **4.4 INTERNAL AUDIT**

- 4.4.1 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 (England) Regulations 2011, more specifically require that a "relevant body shall maintain an adequate and effective internal audit of its accounting records and of its system of internal assurance".
- 4.4.2 , Internal audit is an independent and objective appraisal function established by the Council for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

### **Key Controls**

- 4.4.3 The key controls for Internal Audit are:

- (a) That it is under the independent control and direction of the Head of Finance and Procurement.
- (b) The Chief Internal Auditor has direct access to the Chief Executive, all levels of management and directly to elected Members ( where internal audit is outsourced the lead officer on the contract for the firm is treated as the Chief Internal Auditor).
- (c) The internal auditors comply with the Audit Commissions’s “Code of Audit Practice for Local Government” and “Statements of Responsibilities of Auditors and Audited Bodies” and CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.
- (d) Compliance with currently agreed Member reporting mechanism

### **Responsibilities of the Section 151 Officer**

4.4.4 To ensure that internal auditors have the authority, without notice, to:

- (a) access Council 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 Council to account for cash, stores or any other Council asset under his or her control
- (e) access records belonging to third parties, such as contractors.
- (f) directly access the Chief Executive and the Cabinet/Executive.

4.4.5 To approve the strategic and annual audit plans prepared by the Chief Internal Auditor which take account of the characteristics and relative risks of the activities involved.

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

### **Responsibilities of Joint Management Team**

4.4.7 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.

4.4.8 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

4.4.9 To consider and respond promptly to recommendations in audit reports.

4.4.10 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

4.4.11 To notify the Section 151 Officer and Chief Executive immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources. Pending investigation and reporting, the Head of Service should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. The Chief

Executive and Section 151 Officer shall take whatever steps they consider necessary by way of investigation and reporting any matter.

4.4.12 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 Section 151 Officer prior to implementation.

#### **4.5 EXTERNAL AUDIT**

4.5.1 The Local Government Finance Act 1982 set up the Audit Commission, which is currently responsible for appointing external auditors to each local Council in England and Wales. The external auditor has right of access to all documents and information necessary for audit purposes.

4.5.2 The basic duties of the external auditor are currently defined in the Audit Commission Act 1998 and the Local Government Act 1999. The draft Local Audit Bill published in July 2012 proposes a new regulatory framework for external audit. The Code of Audit Practice issued in March 2010 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) arrangements for securing economy, efficiency and effectiveness in its use of resources

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

#### **Key Controls**

4.5.4 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. This code is regularly updated, the latest one being in March 2010.

#### **Responsibilities of the Section 151 Officer**

4.5.5 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.

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

4.5.7 To work with the external auditor and advise the Full Council, Cabinet/Executive and Heads of Service on their responsibilities in relation to external audit.



### **Responsibilities of Joint Management Team**

- 4.5.8 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 their purposes.
- 4.5.9 To ensure that all records and systems are up to date and available for inspection.

### **4.6 PREVENTING FRAUD BRIBERY AND CORRUPTION**

- 4.6.1 The Council will not tolerate fraud bribery or corruption in the administration of its responsibilities, whether from inside or outside the Council. The Bribery Act 2010 came into force on July 1<sup>st</sup> 2011 and the Council has updated policies to reflect this.
- 4.6.2 The Council's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.
- 4.6.3 The Council also expects that individuals and organisations (eg suppliers, contractors, service providers) with whom it comes into contact will act towards the Council with integrity and without thought or actions involving fraud bribery or corruption.

### **Key Controls**

- 4.6.4 The key controls regarding the prevention of financial irregularities are that:
- (a) The Council has an effective anti-fraud and anti-bribery and 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 Council or who are corrupt
  - (d) High standards of conduct are promoted amongst Members
  - (e) A register of interests is maintained in which any hospitality or gifts accepted must be recorded
  - (f) A whistle blowing policy is in place and operates effectively
  - (g) Legislation including the Public Interest Disclosure Act 1998 is adhered to
  - (h) The Council has a money laundering policy in place.

### **Responsibilities of the Section 151 Officer**

- 4.6.4 To develop and maintain an anti-fraud and anti-bribery and corruption policy.
- 4.6.5 To maintain adequate and effective internal control arrangements.
- 4.6.6 To ensure that all suspected irregularities are reported to the Chief Executive and the Cabinet/Executive where deemed appropriate.

- 4.6.7 To ensure that, where a large cash payment is offered or made to the Council, these are immediately reported to him/her and to ensure that such occurrence is immediately reported to the National Crime Intelligence Service where appropriate. In such circumstances, any cash received should not be banked until appropriate clearance to do so has been received in line with the Money Laundering Policy

### **Responsibilities of Joint Management Team**

- 4.6.8 To ensure that all suspected irregularities are reported to the Section 151 Officer and Chief Executive
- 4.6.9 To instigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.
- 4.6.10 To ensure that, where financial impropriety is discovered, the Chief Executive and Section 151 officer are 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.

## **4.7 SECURITY OF ASSETS**

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

### **Key Controls**

- 4.7.2 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 Council and are properly accounted for
  - (b) Resources are available for use when required
  - (c) Resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits
  - (d) An asset register is maintained for the Council, assets are correctly recorded when they are acquired by the Council 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 Council's assets and information including the requirements of the Data Protection Act 1998 and software copyright legislation
  - (f) All staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining

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

### **Responsibilities of Joint Management Team**

- 4.7.3 The Head of Regeneration and Housing shall maintain a terrier (a map-based record of all the Council's land ownership on GIS) of all property owned by the Council recording the location, extent and plan reference, purchase details, particulars of rents payable and tenancies granted. The Head of Finance and Procurement keeps an asset register for financial accounting purposes but ensuring it is consistent with the land and property asset register held by the Head of Regeneration and Housing.
- 4.7.4 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 Head of Service in consultation with the Head of Law and Governance, has been established as appropriate.
- 4.7.5 To ensure the proper security of all buildings and other assets under their control.
- 4.7.6 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a report by the Head of Regeneration and Housing.
- 4.7.7 To pass title deeds to the Head of Law and Governance who is responsible for custody of all title deeds.
- 4.7.8 To ensure that no Council asset is subject to personal use by an employee without proper authority which means in relation to property assets the Head of Regeneration and Housing and in relation to any other assets the Head of Finance and Procurement.
- 4.7.9 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Council.
- 4.7.10 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- 4.7.11 To consult the Section 151 Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 4.7.12 To ensure cash holdings on premises are kept to a minimum and are within limits approved by the Section 151 officer which shall not be exceeded without his or her express approval.
- 4.7.13 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 Section 151 Officer as soon as possible.

- 4.7.14 To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Section 151 Officer it is agreed otherwise.
- 4.7.15 To advise the Head of Transformation, who shall be responsible for maintaining a corporate asset register of the Council's ICT assets of any hardware and software acquisitions.
- 4.7.16 To provide the Head of Transformation with copies of all software licences.
- 4.7.17 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 Council in some way.
- 4.7.18 Under the direction of the Head of Law and Governance, to ensure all employees are aware of their responsibilities for maintaining proper security and privacy in respect of information held in any computer and also for the need to comply at all times with the provisions of the Data Protection Act, 1998 and the Computer Misuse Act 1990

## **4.8 INVENTORIES**

### **Key Controls**

- 4.8.1 The key controls for inventories are:
- (a) That an up to date record is maintained of all relevant property of the Council.
  - (b) That disposals, renewals, replacements and additions are recorded in a timely fashion.
  - (c) That steps are taken to ensure the prevention of unauthorised use of Council property

### **Responsibilities of Joint Management Team**

- 4.8.2 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery, the extent and format of which is to be determined by the Head of Service.
- 4.8.3 To carry out an annual check of all items on the inventory in order to verify location, review and 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 Council.
- 4.8.4 To make sure that property is used only in the course of the Council's business, unless the Head of Service concerned has given permission otherwise.

## **4.9 STOCKS AND STORES**

### **Key Controls**

4.9.1 The key controls for stocks and stores are:

- (a) The maintenance of properly maintained records of stocks and stores.
- (b) Steps to ensure the safe custody of Council property
- (c) Steps to ensure the prevention of unauthorised use of Council property

### **Responsibilities of Joint Management Team**

4.9.2 To make arrangements for the care and custody of stocks and stores in the division, providing the Head of Finance and Procurement with a year-end return when required and in the approved format.

4.9.3 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion. All stocks are to be checked at least once per year, with large stock holdings (of a value of £50,000 or more) subject to in-year rolling reviews.

4.9.4 To investigate and remove from the Council's records (i.e. write off) discrepancies as necessary, or to obtain Cabinet/Executive approval if they are in excess of £5,000 in value.

4.9.5 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, the Section 151 officer decides otherwise in a particular case.

4.9.6 To seek authorisation from the Section 151 Officer to make adjustments to write off deficiencies and obsolete stores and equipment.

## **4.10 INTELLECTUAL PROPERTY**

4.10.1 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. Legislation covers different types of intellectual property.

4.10.2 Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

### **Key Controls**

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

### **Responsibilities of the Joint Management Team**

- 4.10.4 To develop and disseminate good practice through the Council's intellectual property procedures.
- 4.10.5 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.

### **4.11 ASSET DISPOSAL**

- 4.11.1 The procedure for the disposal of Council assets is covered by section 30 of the Contract Procedure Rules. There are specific rules to follow if the asset is valued above £50,000 unless a suitably qualified person confirms that an alternative procedure is appropriate because of the nature of the asset. If any asset is to be disposed of by scrapping, this shall be done using the most environmentally friendly method subject to such method being cost-effective.

#### **Key Controls**

- 4.11.2 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 Council and the best price is obtained, bearing in mind other factors, such as environmental issues. For items of above £50,000, disposal should be in accordance with the process set out in section 30 of the Contract Procedure Rules.
- 4.11.3 Procedures protect staff involved in the disposal from accusations of personal gain.

#### **Responsibilities of the Section 151 Officer**

- 4.11.4 To monitor and review the guidelines representing best practice for the disposal of assets in consultation with the Monitoring Officer.
- 4.11.5 To ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

#### **Responsibilities of Joint Management Team**

- 4.11.6 To refer to the Contract Procedure Rules and seek advice from purchasing advisors on the disposal of surplus or obsolete materials, stores or equipment and to seek authorisation from the Section 151 Officer before such disposal.
- 4.11.7 To ensure that income received for the disposal of an asset is properly banked and coded
- 4.11.8 To ensure that sales of land and buildings are dealt with in the following way:

### **4.12 SALES**

4.12.1 Land and buildings valued at less than £250,000 (Cherwell) or £20,000 (South Northamptonshire) shall be disposed of by the Head of Regeneration and Housing in a manner consistent with the Council's statutory duties under Section 123 of the Local Government Act 1972

4.12.2 Unless otherwise agreed by the Cabinet/Executive, all land or buildings valued at £50,000 or more shall be offered on the open market in accordance with one or other of the following procedures:

#### **Sale by Tender - Ad-Hoc Tenders**

4.12.3 At least 14 days notice shall be given in two or more of [the local newspapers circulating in the area of the Council and/or in such national journals or appropriate websites as the Head of Regeneration and Housing considers desirable stating the nature of the property and inviting tenders for its purchase and stating the last date when tenders will be accepted; or

#### **Sale by Tender - Approved List**

4.12.4 Public notice shall be given in respect of a particular transaction in the manner described in 4.12.3 above inviting applications from interested persons to be placed on a list to be approved by the Council from which prospective purchasers shall be selected and invited to submit tenders.

#### **Sale at A Named Figure**

4.12.5 An assessment of the value of the property shall be made by a qualified valuer. The Head of Regeneration and Housing shall issue particulars of the property and the price to all enquiring persons. Details of the property shall be publicly advertised on at least one occasion and on a sign board erected upon the site.

#### **Invited Offers**

4.12.6 The property shall be advertised in accordance with 4.12.3 above but no figure shall be placed in the particulars and interested parties shall be asked to make offers for consideration by the Council. In order to give guidance to would-be purchasers a minimum figure may be quoted where appropriate. The administration of 4.12.3 – 4.12.6 may be carried out by approved agents.

#### **Sale by Public Auction**

4.12.7 Properly qualified and experienced auctioneers shall be commissioned to act on behalf of the Council in offering for sale by auction land or buildings in the Council's ownership.

### **4.13 PURCHASES**

4.13.1 All purchases of land and/or buildings shall be the subject of a valuation report by the District Valuer or an independent qualified valuer.

4.13.2 The Cabinet/Executive or Full Council shall approve all land and building purchases, other than exceptions covered by 4.13.3. The report seeking such

approval will identify the purpose for which the land will be held. Where urgent action to make an offer is required, the Urgency Powers procedures specified within Delegated Powers will be followed for South Northamptonshire. In Cherwell authority will be sought through portfolio holder decision making

### **Exceptions**

- 4.13.3 Every exception to the procedure shall require the approval of the Council or the Cabinet/Executive following a report justifying the exception being made.

## **4.14 TREASURY MANAGEMENT**

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

### **Key Controls**

- 4.14.2 That the Council's borrowings and investments comply with CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2011 Edition) and with the Council's treasury policy statement.

### **Responsibilities of Section 151 Officer – Treasury Management and Banking**

- 4.14.3 To arrange the borrowing and investments of the Council in such a manner as to comply with CIPFA's "Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (2011 Edition) and the Council's treasury management policy statement and annual strategy.
- 4.14.4 To operate bank accounts and order cheques if considered necessary. Opening or closing any bank account shall require his approval.
- 4.14.5 To ensure that all cheques on the Council's main bank accounts bear his or her facsimile signature or are signed by him/her or other person authorised by the Council to do so.
- 4.14.6 To ensure that all cheques drawn exceeding £10,000 [SNC] £25,000 [CDC] in value are countersigned by an appropriately authorised signatory designated by the Head of Paid Service.
- 4.14.7 To ensure that all manually prepared cheques are stamped in accordance with procedures authorised by him or her.

### **Responsibilities of Joint Management Team – Treasury Management and Banking**

- 4.14.8 To follow the instructions on banking issued by the Section 151 Officer.



### **Responsibilities of Section 151 Officer – Investments and Borrowing**

- 4.14.9 To ensure that all investments of money are made in the name of the Council or in the name of nominees approved by the Full Council.
- 4.14.10 To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate Head of Service .
- 4.14.11 To effect all borrowings in the name of the Council.
- 4.14.12 To act as the Council's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Council.
- 4.14.13 To comply with the best available professional published guidance insofar as is reasonably practicable to do so.

### **Responsibilities of Joint Management Team – Investments and Borrowing**

- 4.14.14 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 Section 151 Officer.

### **Responsibilities of Joint Management Team – Trust Funds and Funds held for Third Parties**

- 4.14.15 To arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Section 151 Officer, unless the deed otherwise provides.
- 4.14.16 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Section 151 Officer, and to maintain written records of all transactions.
- 4.14.17 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

### **Responsibilities of the Section 151 Officer - Imprest Accounts**

- 4.14.18 To provide employees of the Council with cash or bank imprest accounts or purchasing cards to meet minor expenditure on behalf of the Council and to prescribe rules for operating these accounts.
- 4.14.19 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.
- 4.14.20 Purchasing Cards and Credit Cards can be used for a variety of small payments instead of the use of petty cash and imprest floats.

## **Responsibilities of Joint Management Team – Imprest Accounts**

4.14.21 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 Section 151 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 Section 151 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 Council's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Section 151 Officer for the amount advanced to him or her.
- (i) ensure that the imprest account is not used for items which are subject to Income Tax i.e. wages, sub contractors.

## **4.15 STAFFING**

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

### **Key Controls**

4.15.2 The key controls for staffing are:

- (a) To ensure that staffing requirements and budget allocations and work priorities are matched
- (b) To forecast staffing requirements and costs
- (c) To have in place controls to ensure that staff time is used efficiently and to the benefit of the Council
- (d) To undertake checks prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy
- (e) To operate procedures to ensure the appropriate training and development of staff

### **Responsibilities of the Section 151 Officer**

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

4.15.4 To act as an advisor to Heads of Service on areas such as National Insurance and pension contributions, as appropriate.

- 4.15.5 To determine a sensible and prudent level of vacancy factor and to incorporate this into the budget where appropriate.

### **Responsibilities of Joint Senior Team**

- 4.15.6 To produce an annual staffing budget.
- 4.15.7 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).
- 4.15.8 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- 4.15.9 To ensure staffing budgets are not exceeded without appropriate approval.
- 4.15.10 To ensure development needs are identified via the Employees' Performance and Development Review and that the agreed training plan and programme is supported and attended.
- 4.15.11 To monitor the level of staffing vacancies against the vacancy factor budget for which they are responsible.

## **5. Financial Systems and Procedures**

### **5.1 INTRODUCTION**

- 5.1.1 Sound systems and procedures are essential to an effective framework of accountability and control.

#### **General**

- 5.1.2 The Section 151 Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. Any changes made by Heads of Service to the existing financial systems or the establishment of new systems must be approved by the Section 151 Officer. However, Heads of Service are responsible for the proper operation of financial processes in their own divisions.
- 5.1.3 Any changes to procedures by Heads of Service to meet their own specific service needs should be agreed with the Section 151 Officer.
- 5.1.4 Heads of Service should ensure that their staff receive relevant financial training that has been approved by the Section 151 Officer.
- 5.1.5 Heads of Service must ensure, in consultation with the Head of Law and Governance, that, where appropriate, computer and manual filing systems are registered in accordance with data protection legislation. Heads of Service must ensure, in consultation with the the Head of Law and Governance , that

staff are aware of their responsibilities under freedom of information and environmental information regulations legislation.

### **Income and Expenditure**

- 5.1.6 It is the responsibility of 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 Head of Service's behalf, or on behalf of the Cabinet/Executive, in respect of payments, income collection and placing orders, together with the limits of their authority. The Cabinet/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**

- 5.1.7 The Section 151 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**

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

### **Trading Accounts/Units**

- 5.1.10 It is the responsibility of the Section 151 officer to advise on the establishment and operation of trading accounts and units

## **5.2 GENERAL**

- 5.2.1 Divisions have many systems and procedures relating to the control of the Council's assets, including purchasing, costing and management systems. Divisions rely 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.
- 5.2.2 The Section 151 Officer has a professional responsibility to ensure that the Council's financial systems are sound and he/she should therefore be notified of any new developments or changes.

### **Key Controls**

- 5.2.3 The key controls for systems and procedures are:

- (a) Basic data exists to enable the Council'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 Section 151 Officer**

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

- (a) issue advice, guidance and procedures for officers and others acting on the Council's behalf
- (b) determine the accounting systems, form of accounts and supporting financial records
- (c) establish arrangements for audit of the Council'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 Joint Management Team**

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

5.2.6 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Section 151 officer

5.2.7 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.

5.2.8 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.

5.2.9 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.

5.2.10 To ensure there is a documented and tested business continuity plan to allow information system processing to resume quickly in the event of an interruption.

5.2.11 To ensure that systems are documented and staff trained in operations.

- 5.2.12 To consult with the Section 151 Officer before changing any existing system or introducing new systems.
- 5.2.13 To establish a scheme of delegation identifying officers authorised to act upon the Head of Service's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 5.2.14 To supply lists of authorised officers, with specimen signatures and delegated limits, to the Section 151 Officer, together with any subsequent variations.
- 5.2.15 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. The Head of Service with responsibility for ICT will have overall responsibility for business continuity in relation to ICT systems.
- 5.2.16 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation, that staff are aware of their responsibilities under the legislation and that no system operates live unless the Head of Law and Governance has confirmed that all legislative requirements have been met.
- 5.2.17 To ensure that relevant standards and guidelines for computer systems issued by the Head of Transformation are observed.
- 5.2.18 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 5.2.19 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
- (a) only software legally acquired and installed by the Council 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.

## **5.3 COMPUTING**

### **5.3.1 Key Controls**

The key controls for computing are:

- (a) The existence of and adherence to a corporate ICT Strategy.
- (b) The existence of a corporate procurement procedure for all hardware and software acquisitions in accordance with the Contract Procedure Rules

### **Responsibilities of the Head of Transformation**

5.3.2 To ensure the currency and relevance of the ICT Strategy through regular review.

5.3.3 To ensure that all software acquired by the Council is licensed for use.

5.3.4 To ensure appropriate steps are in place to back up key systems.

### **Responsibilities of the Joint Management Team**

5.3.6 To seek the final approval for all Information and Communications Technology (ICT) development acquisitions and implementation from the Head of Transformation and the Director of Resources or the Chief Executive unless otherwise delegated.

5.3.7 To ensure that all activities and processes relating to the evaluation, development, acquisition and implementation of ICT conform to the Council's IT Strategy, Standards and Procedures.

5.3.8 To ensure that all ICT acquisitions are conducted in accordance with the Council's Contracts Procedure Rules and, where appropriate, relevant legislation and EU directives.

5.3.9 To ensure that all ICT acquisitions and developments are cost-justified and that the benefits are required and necessary to meet the Council's service and business objectives.

5.3.10 To ensure that before any new acquisition or development of information systems is undertaken, a project plan, business specification and estimated costs are submitted to the Head of Transformation for consideration before the project commences.

5.3.11 To submit all bids for the acquisition or the development of new information systems or information technology, whether to be met from within existing budgets, through growth bids or centrally controlled re-investment, in the first instance, to the Head of Transformation for initial evaluation and, where appropriate, authorisation.

5.3.12 Prior to any ICT projects or acquisitions being submitted to Cabinet/Executive Members for approval, to ensure that authorisation is obtained from the Head of Transformation, and the Director of Resources or the Chief Executive, as appropriate.

5.3.13 To ensure that, in order to facilitate the co-ordination and efficient use of the Council's IS/IT resources, the Head of Transformation is consulted before any negotiations commence or commitments are made to acquire, rent or lease any computer equipment (including communications technologies and peripherals), software or computer training.

5.3.14 To ensure that, in order that the Council's interests are protected, any contracts for ICT are submitted to the Head of Law and Governance before being entered into.

## **5.4 INCOME AND EXPENDITURE**

### **Income**

5.4.1 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, though not always possible, to obtain income in advance of supplying goods or services as this improves the Council's cash-flow and also avoids the time and cost of administering debts.

### **Key Controls**

5.4.2 The key controls for income are:

- (a) All income due to the Council 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 Council is paid without delay to the Section 151 Officer or, as he or she directs, to the Council's bank accounts, 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.
- (j) No income received is paid into an imprest account.

### **Responsibilities of the Section 151 Officer**

5.4.3 To agree arrangements for the collection of all income due to the Council and to supervise/approve the procedures, systems and documentation for its collection.

5.4.4 To order and supply to divisions all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.



- 5.4.5 To approve all debts to be written off in consultation with the relevant Head of Service and to keep a record of all sums written off up to:
- £5,000 for all debts with the exception of non-domestic rates
  - £10,000 for all debts relating to non-domestic rates
- and to adhere to the requirements of the Accounts and Audit ( England) Regulations 2011. The final decision with debt write offs rests with the Section 151 Officer except where Cabinet/Executive approval is required pursuant to 5.4.7 below.
- 5.4.6 In consultation with Heads of Service, to report to the Cabinet/Executive any irrecoverable sums over £5,000 in respect of all debts with the exception of non-domestic rates and £10,000 in respect of debts relating to non-domestic rates
- 5.4.7 To obtain the approval of the Cabinet/Executive in consultation with the relevant Head of Service for writing off debts in excess of the approved limits specified in 5.4.5 and 5.4.6.
- 5.4.8 To ensure that appropriate accounting adjustments are made following write-off action.
- 5.4.9 To ensure that outdoor collections of Rates, Council Tax, Benefits Overpayments and other miscellaneous income are, subject to proper safeguards, paid in at approved Post Offices or bank branches or the cashier services (where they are still operated). Any remaining outdoor and any indoor collections not banked during normal banking hours on the day of receipt, shall be placed either in a night safe or in a locked safe and banked the following day. These should be kept to a minimum and the night safe facility used for all weekend and bank holiday bankings.
- 5.4.10 To ensure that proper procedures for collection of income by credit or debit card, in person, by telephone or by electronic methods, are in place to minimise risk and ensure proper accountability of such transactions.

### **Responsibilities of Joint Management Team**

- 5.4.11 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.
- 5.4.12 To separate the responsibility for identifying amounts due and the responsibility for collection as far as is practicable.
- 5.4.13 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly subject to authorisation from the Section 151 Officer.
- 5.4.14 To issue official receipts or to maintain other documentation for income collection.

- 5.4.15 To ensure, where possible that at least two employees are present when post is opened so that money received by post is properly identified and recorded.
- 5.4.16 To hold securely receipts, tickets and other records of income for the appropriate period.
- 5.4.17 To ensure that income is paid fully, without deduction, and promptly into the appropriate Council bank account or cashier service (where relevant) 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. Every cheque or similar instrument shall have a crossing approved by the Section 151 Officer.
- 5.4.18 To ensure the safe keeping of cash and cheques received until such time as they can properly be banked which in any event must be within 24 hours of receipt unless it is impracticable to do so.
- 5.4.19 To ensure income is not used to cash personal cheques or other payments other than under arrangements approved by the Section 151 Officer and supported by a valid banker's cheque or credit card as appropriate.
- 5.4.20 To supply the Section 151 Officer with details relating to work done, goods supplied, services rendered or other amounts due, in order to enable the Section 151 Officer to record correctly the sums due to the Council and to ensure accounts are sent out promptly. To do this, Heads of Service should use established performance management systems to monitor recovery of income and flag up areas of concern to the Section 151 Officer. Heads of Service have a responsibility to assist the Section 151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.
- 5.4.21 To keep a record of every transfer of money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 5.4.22 To recommend to the Section 151 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.
- 5.4.23 To notify the Section 151 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 Section 151 Officer.
- 5.4.24 In consultation with the Section 151 Officer and the Chief Executive, to submit, at least annually, a schedule of recommended fees and charges for services for consideration by Cabinet/Executive Members, together with their proposals for amendment.

5.4.25 To raise sundry debtor requisition forms immediately after providing a service for which a cash payment was not received.

## **5.5 ORDERING AND PAYING FOR WORK, GOODS AND SERVICES**

5.5.1 Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

### **General**

5.5.2 Every Officer and Member of the Council 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 Council.

5.5.3 Official orders must be in a form approved under section 19 of the Contract Procedure Rules. Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases, instructions to Counsel or other exceptions specified by the Section 151 Officer.

5.5.4 Each order must conform with the Contract Procedure Rules. Standard terms and conditions must not be varied without the prior approval of the Section 151 Officer.

5.5.5 Apart from petty cash and other payments from advance accounts, the normal method of payment from the Council shall be electronic, drawn on the Council's bank accounts by the Section 151 Officer. The use of direct debit shall require the prior agreement of the Section 151 officer. The use of a Council credit card is subject to compliance with the Council Credit Card Usage Protocol attached.

5.5.6 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts, unless specifically authorised by the Section 151 Officer.

### **Key Controls**

5.5.7 The key controls for ordering and paying for work, goods and services are:

- (a) All goods and services shall be ordered only by authorised persons and are correctly recorded
- (b) All goods and services shall be ordered in accordance with the Council's Contracts Procedure Rules for tenders and contracts unless they are purchased from sources within the Council.
- (c) Goods and services received shall be checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order

- (d) Payments shall not be made unless goods have been received by the Council to the correct price, quantity and quality standards
- (e) All payments shall be 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 shall be retained and stored for the defined period, in accordance with the document retention schedule
- (g) All expenditure, including VAT, shall be 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
- (i) All purchases made by Council credit card shall comply with the Council Credit Card Usage protocol appended to these Rules.

### **Responsibilities of the Section 151 Officer**

- 5.5.8 To ensure that all the Council's financial systems and procedures are sound and properly administered.
- 5.5.9 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 5.5.10 To approve the form of official orders and associated terms and conditions.
- 5.5.11 To make payments from the Council's funds on the Head of Service's authorisation that the expenditure has been duly incurred in accordance with financial procedure rules.
- 5.5.12 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.
- 5.5.13 To make payments to contractors on the certificate of the appropriate Head of Service, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 5.5.14 To provide advice and encouragement on making payments by the most economical means.
- 5.5.15 To examine such final accounts for contracts, to the extent he/she considers necessary. He/she shall be entitled to make any enquiries and receive any information and explanations which he considers necessary to satisfy himself of the accuracy of the accounts. On completion, to notify the certifying officer that the examination is complete and that a final certificate can be issued.

### **Responsibilities of Joint Management Team**

- 5.5.16 To ensure that the appropriate order form within the accountancy software system is used for all goods and services, other than the exceptions specified in 5.5.3, and that the order includes an estimate of the cost.

5.5.17 Except where the Section 151 Officer expressly authorises it, to ensure that orders are only used for goods and services provided to the relevant department or division.

5.5.18 To ensure that only those staff authorised by him or her authorise orders and to maintain an up-to-date list of such authorised staff, including specimen signatures (where appropriate) 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 any necessary quotations or tenders and any trade discounts have been obtained. Value for money should always be achieved and orders must take account of the Council's Contract Procedure Rules .

5.5.19 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.

5.5.20 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 and is properly due from the Council.
- (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, inventories, stores books etc.

5.5.21 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 authorised the order, and in every case, a different officer from the person checking a written invoice should authorise the invoice.

5.5.22 To ensure that the department maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures (where appropriate) and details of the limits of their authority shall be forwarded to the Section 151 Officer.

5.5.23 To ensure that payments are not made on a photocopied or faxed invoice, statement or other document other than the formal invoice, except where authorised by the Section 151 Officer and providing the supplier has confirmed that the document is an exact match of the original and can be

supported by relevant documentation. The reason for the copy must be stated on the invoice.

- 5.5.24 To encourage suppliers of goods and services to receive payment by the most economical means for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Section 151 officer
- 5.5.25 To ensure that the Council obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, in line with the Council's Contract Rules of Procedure
- 5.5.26 To ensure that no amendment is made to incorrect accounts which include VAT. These accounts must be returned for correction or held pending receipt of a credit note and a correct account.
- 5.5.27 To ensure that all employees follow any guidance on invoice processing issued from time to time by the Section 151 Officer in relation to the requirements of the Late Payment of Commercial Debts (Interest) Act 1998.
- 5.5.28 To ensure that invoices are passed promptly for payment once all the necessary checks have been carried out in order for the Council to ensure that invoices are paid within 30 days of receipt.
- 5.5.29 To make payments to contractors on account of contracts only on a certificate issued by the appropriate Head of Service, or an employee nominated by him in writing for the purpose. A certificate issued by a private architect, engineer or consultant engaged by the Council must be countersigned by the appropriate Head of Service or nominee.
- 5.5.30 To authorise every extra or variation, in writing, unless carried out by a private architect, engineer or consultant or nominated employee and subject to the provisions of the contract in each case.
- 5.5.31 To ensure that any variation or extra, which exceeds £20,000 or 2.5% of the contract value whichever is the greater, is reported to the Cabinet/Executive as soon as practicable, setting out any measures which may be available to minimise the additional cost.
- 5.5.32 To report to the Cabinet/Executive on the final cost of any capital scheme. Where the total cost of the contract exceeds the contract sum by 5% in the case of contracts of less than £500,000 and 2.5% in the case of contracts in excess of £500,000 a report on the cost shall, after agreement of the final account, be made to the Cabinet/Executive. For the purposes of this regulation the contract sum shall include any increases or decreases made under price adjustment clauses.
- 5.5.33 To seek legal advice on claiming liquidated damages where completion of a contract is delayed and to report accordingly to the Cabinet/Executive.

- 5.5.34 To ensure that employees are aware of the code of conduct for local government employees (contained in the codes and protocols section of the Council's Constitution).
- 5.5.35 To ensure that loans, leasing or rental arrangements are arranged only by the Section 151 Officer, who has authority to approve operating leases without prior Cabinet/Executive approval providing there is no impact on the Council's capital resources. A notice period of (up to) four months is required for full details of requirements.
- 5.5.36 To notify the Section 151 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 Section 151 Officer and, in any case, not later than a date specified by the Section 151 Officer from year to year.
- 5.5.37 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Section 151 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.
- 5.5.38 To notify the Section 151 Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- 5.5.39 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the Council's record retention schedule.

## **5.6 PAYMENTS TO EMPLOYEES AND MEMBERS**

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

### **Key Controls**

- 5.6.2 The key controls for payments to employees and Members are:

- (a) Proper authorisation procedures are in place and there is adherence to corporate timetables in relation to:
- starters
  - leavers
  - variations
  - enhancements

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

- (b) Frequent reconciliation of payroll expenditure against approved budget and bank account are undertaken
- (c) All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule
- (d) That HMRC regulations are complied with.

#### **Responsibilities of the Section 151 Officer**

- 5.6.3 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.
- 5.6.4 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 5.6.5 To make arrangements for payment of all travel and subsistence claims or allowances.
- 5.6.6 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 5.6.7 To provide advice and encouragement to secure payment of salaries and wages by the most economical means.
- 5.6.8 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

#### **Responsibilities of Joint Management Team**

- 5.6.9 To ensure appointments are made in accordance with the regulations of the Council and approved establishments, grades and scale of pay and that budget provision is adequate.
- 5.6.10 To notify the Section 151 Officer as soon as possible and in the form prescribed by him, of all matters affecting the payment of salaries, wages and pension emoluments, in particular:
  - (a) appointments, resignations, dismissals, suspensions, secondments and transfers
  - (b) absences from duty for sickness or other reasons, apart from approved leave with pay.
  - (c) details of approved leave with pay which has been authorised for any employee who is leaving the Council's service.
  - (d) changes in remuneration, other than pay awards and agreements of general application. Heads of Service are responsible for notifying the Section 151 Officer of the withholding of annual increments.
  - (e) information necessary to maintain records of service for pensions, income tax, national insurance and similar payroll related data.



5.6.11 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.
- all salary related input data is received by the Section 151 Officer by the 5<sup>th</sup> working day [SNC] or by the 10th working day [CDC] of the month in which the payment is to be made.

5.6.12 To ensure that all time records or other pay documents are in a form prescribed or approved by the Section 151 officer and are certified in writing by, or on behalf of, the Head of Service. The names of employees authorised to countersign these records shall be sent to the Section 151 officer by each Head of Service, together with specimen signatures and any changes which may occur from time to time.

5.6.13 To ensure that payroll transactions are processed only through the payroll system. Heads of Service should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The HMRC applies a tight definition for employee status, and, in cases of doubt, advice should be sought from the Section 151 Officer.

5.6.14 To certify travel and subsistence claims and other allowances and to submit them, together with any supporting documents (including appropriate VAT receipts for fuel purchases in support of mileage claims subject to any exceptions that may be agreed by the Section 151 officer), to the Section 151 officer in the approved form, made up to the last day of the month and within five working days [SNC] or 10 working days [CDC] of same. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council ensuring that cost-effective use of travel arrangements is achieved. Employees claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Section 151 officer. Due consideration should be given to tax implications and the Section 151 officer be informed where appropriate.

5.6.15 To ensure that the Section 151 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.

5.6.16 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

5.6.17 To ensure that the Section 151 Officer is regularly provided with the names of employees currently authorised to countersign these records together with specimen signatures.

## **Responsibilities of Members**

5.6.18 To submit claims for Members' travel and subsistence allowances on a regular basis to the Head of Law and Governance using the prescribed form and including all supporting documents within two months of the meeting to which they apply. Exceptions to this rule are at the discretion of the Section 151 Officer.

## **5.7 TAXATION**

5.7.1 The Council 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**

5.7.2 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 Section 151 Officer**

5.7.3 To complete all HMRC returns regarding PAYE.

5.7.4 To complete a monthly return of VAT inputs and outputs to HMRC.

5.7.5 To provide details to the HMRC regarding the construction industry tax deduction scheme.

5.7.6 To maintain up-to-date guidance for Council employees on taxation issues.

### **Responsibilities of Joint Management Team**

5.7.7 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HMRC regulations.

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

5.7.9 To ensure that all persons employed by the Council are added to the Council'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.

5.7.10 To follow the guidance on taxation issued by the Section 151 officer.

## **5.8 TRADING ACCOUNTS AND UNITS**

5.8.1 Trading accounts and business units are important as local authorities have developed a more commercial culture. Authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

### **Responsibilities of the Head of Finance**

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

### **Responsibilities of Joint Senior Management Team**

5.8.3 To consult with the Section 151 officer and the Head of Law and Governance where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Council. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty. Reference should be made to the Contract Procedure Rules and legal advice must be sought.

5.8.4 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.

5.8.5 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.

# **6. External Relationships and Partnerships**

## **6.1 INTRODUCTION**

6.1.1 The Council provides a leadership role for the community and brings together the contributions of various stakeholders. It also acts to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

### **Partnerships**

6.1.2 The Cabinet/Executive is responsible for approving delegations, including frameworks for any proposed partnerships.

6.1.3 The Cabinet/Executive can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that

forms part of the Council's constitution. Where functions are delegated, the Cabinet/Executive remains accountable for them to the Full Council.

- 6.1.4 The appropriate member of the Joint Management Team will represent the Council on partnership and external bodies, in accordance with the scheme of delegation.
- 6.1.5 The Section 151 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.
- 6.1.6 Heads of Service are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

## **6.2 PARTNERSHIPS**

- 6.2.1 A partnership is an agreement between two or more independent bodies to work collectively to achieve an objective. Partnerships 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 many outside bodies – 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 various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- 6.2.2 Local authorities mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities are measured by what they achieve in partnership with others.

### **General**

- 6.2.3 The main reasons for entering into a partnership are:
  - (a) clear objectives and timescales which can be better achieved together
  - (b) the ability to access new resources
  - (c) the provision of new and better ways of delivering services
  - (d) the creation of new relationships.
- 6.2.4 A partner is defined as either:
  - (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project or a body whose nature or status give it a right or obligation to support the project.or

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

6.2.5 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.

6.2.6 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) to 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**

6.2.7 The key controls for Council partners are:

- (a) If appropriate, to be aware of their responsibilities under the Council's Financial Procedure rules 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.
- (f) A partnership agreement should be in place containing details of how resources will be pooled and controls will be operated in partnership spending.
- (g) Regular spending statements should be available to all parties.

### **Responsibilities of the Section 151 Officer**

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

6.2.9 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.

6.2.10 To ensure that the accounting arrangements are satisfactory.

### **Responsibilities of Joint Management Team**

6.2.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Section 151 Officer. NB a contract for services is NOT a partnership.

6.2.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Section 151 Officer.

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

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

6.2.15 To provide appropriate information to the Section 151 Officer to enable a note to be entered into the Council's statement of accounts concerning material items.

## **6.3 EXTERNAL FUNDING**

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

### **Key Controls**

6.3.2 The key controls for external funding are:

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

- (d) To ensure that grant conditions are approved as appropriate by the Chief Executive and Directors or the Cabinet/Executive, prior to acceptance of grant or implementation of any scheme or project associated with the grant.

#### **Responsibilities of the Section 151 Officer**

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

#### **Responsibilities of Joint Management Team**

- 6.3.6 To ensure that all claims for funds are made by the due date.
- 6.3.7 To ensure that the project progresses in accordance with the agreed project plan and that all expenditure is properly incurred and recorded.
- 6.3.8 To ensure that the terms and conditions of the grant are complied with in full.
- 6.3.9 To prepare appropriate working papers and documentary evidence to enable the Section 151 Officer to sign grant declaration forms.

#### **6.4 WORK FOR THIRD PARTIES ( CHARGING AND TRADING)**

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

#### **Key Controls**

- 6.4.2 The key controls for working with third parties are:
  - (a) To ensure that proposals are costed properly in accordance with guidance provided by the Section 151 Officer
  - (b) To ensure that contracts are drawn up using guidance provided by the Section 151 Officer and the Head of Law and Governance 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 Section 151 Officer**

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

## **Responsibilities of Joint Management Team**

- 6.4.4 To ensure that any necessary approvals are obtained before any negotiations are concluded to work for third parties.
- 6.4.5 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Section 151 Officer.
- 6.4.6 To ensure that appropriate insurance arrangements are made.
- 6.4.7 To ensure that the Council is not put at risk from any bad debts.
- 6.4.8 To ensure that no contract is subsidised by the Council.
- 6.4.9 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 6.4.10 To ensure that the department/unit has the appropriate expertise to undertake the contract.
- 6.4.11 To ensure that such contracts do not impact adversely upon the services provided for the Council.
- 6.4.12 To ensure that all contracts are properly documented.
- 6.4.13 To provide appropriate information to the Section 151 Officer to enable a note to be entered into the statement of accounts.

## **APPENDIX**

### **Credit Card Usage Protocol**

Council credit cards are used to replace other methods of ordering. Particularly where it is an emergency, if a payment is required immediately or payment is made via the internet.

Such credit cards shall be used for the payment of valid business goods and expenses only and the misuse of such cards shall be grounds for disciplinary action

Just like all forms of ordering a budget or funding stream needs to be identified prior to a purchase being made.

Where goods are being purchased for an area where the cardholder is not the budget holder, cardholders must obtain approval to purchase from the relevant budget holder. In all circumstances the cardholder must ensure that there is sufficient budget available to meet the costs of the order.



Holders of purchasing cards must use them only for the purposes for which they have been issued and within the authorised purchase limits.

Cards must not be loaned to another person but other people can place an order on behalf of the cardholder if permission is expressly granted by the cardholder for this to happen.

Cards must never be used for personal or private purchases. Only in absolutely exceptional circumstances should cash be withdrawn using the card and receipts must then be provided for all items of that cash expenditure.

If in doubt advice should be sought from the Chief Financial Officer (currently the Director of Resources).

### **Prevention against Fraud**

Reasonable precautions should be taken to prevent fraudulent use of the card. Corporate Cards should not be used by anyone other than the named card holder (unless express permission is given by the cardholder) and PIN numbers (if applicable) should not be written down or disclosed to third parties.

Cardholders should also take care when giving out card details over the phone. The cardholder (or those ordering on the cardholders' behalf) should always initiate the phone call and be certain that it is the correct person they are giving the card details to.

Users should avoid providing their full card details on any application/registration forms. It is safer to provide the details by phone.

Users should ensure that any purchases placed via the internet are made at secure and reputable web sites.

Card details should never be sent by email.

### **Budget and Payment Process**

Users should use the card as if using a debit card or any other credit card.

Users should ensure that any purchases placed via the internet are made at secure and reputable web sites.

The card holder is solely responsible for every transaction processed on their card and must obtain an itemised receipt/payment confirmation for each transaction.

Expenditure will come through in a statement and the card user will be contacted to identify which budget it should be charged to

Statements will be reviewed and reconciled monthly [by Finance and Procurement] but it is the responsibility of budget holders to ensure cards are used appropriately and purchases have an auditable trail.

## **Lost and Stolen Cards**

In the UK – If your card is lost or stolen please telephone Royal Bank of Scotland Lost and Stolen cards on 0870 6000 459 (24 hours a day, 7 days a week).

If you are calling from overseas then please Tel: (+44) 1423 700 545.

You should also contact Accountancyimmediately on Tel 01327 322231 and email [accountancy@southnorthants.gov.uk](mailto:accountancy@southnorthants.gov.uk) for South Northamptonshire or 01295 227001 and email [accountancy@Cherwell.gov.uk](mailto:accountancy@Cherwell.gov.uk) for Cherwell.

## Cherwell District Council Calendar of Meetings 2013/14 (and 2014/15 to August 2014)

Council	Executive	Planning Committee	Accounts, Audit & Risk Committee	Personnel Committee	Council & Employee Joint	Overview & Scrutiny Committee	Resources & Performance Scrutiny Board	Finance Scrutiny Working Group	Performance Scrutiny Working Group
<i>Mon, 6.30pm</i>	<i>Mon, 6.30pm</i>	<i>Thurs, 4pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Weds, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>	<i>Tues, 6.30pm</i>
<b>2013/14</b> Tues 7 May AGM 22 July 21 October 16 December 24 February ----- <b>2014/15</b> 7 May 2014 – 2014/15 AGM 14 July	<b>2013/14</b> 15 May 3 June 1 July 2 September 7 October 4 November 2 December 6 January 3 February 3 March 7 April ----- <b>2014/15</b> 13 May 2014 (Tues) 2 June 7 July	<b>2013/14</b> 16 May 13 June 11 July 8 August 5 September 3 October 31 October 28 November 19 December 9 January 6 February 6 March 3 April ----- <b>2014/15</b> 15 May 2014 12 June 8 July 5 August	<b>2013/14</b> 19 June <i>(informal review of accounts)</i> 26 June 18 September 4 December 22 January 26 March ----- <b>2014/15</b> 18 June <i>(informal review of accounts)</i> 25 June	<b>2013/14</b> 5 June 11 September 11 December 19 February ----- <b>2014/15</b> 11 June 2014	<b>2013/14</b> 29 May 4 September 27 November 12 February ----- <b>2014/15</b> 28 May 2014	<b>2013/14</b> 28 May 9 July 10 September 22 October 26 November 14 January 4 March 15 April ----- <b>2014/15</b> 27 May 2014 8 July	<b>2013/14</b> 21 May 2 July 3 September 15 October 19 November 14 January 25 February 8 April ----- <b>2014/15</b> 20 May 2014 1 July	<b>2013/14</b> 18 June 1 October 3 December 11 February ----- <b>2014/15</b> 17 June 2014	<b>2013/14</b> 25 June 8 October 10 December 18 February ----- <b>2014/15</b> 24 June 2014

Council	Executive	Planning Committee	Accounts, Audit & Risk Committee	Personnel Committee	Council & Employee Joint	Overview & Scrutiny Committee	Resources & Performance Scrutiny Board	Finance Scrutiny Working Group	Performance Scrutiny Working Group
Democratic Contact Officer: James Doble 01295 221587	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Aaron Hetherington 01295 227956 Or Natasha Clark 01295 221589	Democratic Contact Officer: Gavin Lane 01327 322121	Democratic Contact Officer: Louise Aston 01295 221601	Democratic Contact Officer: Lesley Farrell 01295 221591	Democratic Contact Officer: Dave Parry 01327 322365	Democratic Contact Officer: Natasha Clark 01295 221589	Democratic Contact Officer: Sharon Hickson 01295 221554 Or Natasha Clark 01295 221589	Democratic Contact Officer: Sharon Hickson 01295 221554 Or Natasha Clark 01295 221589

NOTES: Chairman and Vice-Chairman for all Committees for the municipal year 2013/14 will be appointed at the first meetings of Committees held at the conclusion of the Annual Council meeting on Wednesday 15 May 2013.

Chairman and Vice-Chairman for all Committees for the municipal year 2014/15 will be appointed at the first meetings of Committees held at the conclusion of the Annual Council meeting on Wednesday 14 May 2013.

Licensing Committee, Licensing Sub-Committees, Appeals Panel and Standards Committee meetings will be arranged as required.

Informal Executive meeting dates: 2013/14: 21 May, 18 June, 17 July, 20 August, 17 September, 15 October, 19 November, 17 December. Additional dates to be advised in due course.

Please note that this the Informal Executive is administered by the PA to the Leader of the Council

Democratic Contacts: Licensing Committee and Licensing Sub-Committee: Louise Aston – 01295 221607  
Standards Committee: Natasha Clark – 01295 221589  
Appeals Panel: James Doble – 01295 221589

Parish Liaison Meeting: Wednesday 12 June 2013  
Wednesday 13 November 2013

Parish Liaison Meeting Contact: Kevin Larner, Countryside and Communities Manager – 01295 221706

**SNC and CDC Joint Meetings Calendar of Meetings 2012/13**

Place Programme Board	Joint Arrangements Steering Group	Joint Appraisal Sub-Committee	Joint Event for Cherwell District Council & South Northamptonshire Council Elected Members
<i>Thursday</i> <i>Start time dependent on venue,</i> <i>Springfields: 6pm</i> <i>Bodicote House: 6.30pm</i>	<i>Thursday</i> <i>Start time dependent on venue,</i> <i>Springfields: 7pm</i> <i>Bodicote House: 7.30pm</i>	<i>Thursday, 7pm</i>	<i>Monday, 6pm</i>
23 May          Springfields, Towcester 18 July          Bodicote House 12 September   Springfields, Towcester 14 November   Bodicote House 23 January      Springfields, Towcester 27 March        Bodicote House	23 May          Springfields, Towcester 18 July          Bodicote House 12 September   Springfields, Towcester 14 November   Bodicote House 23 January      Springfields, Towcester 27 March        Bodicote House	10 October 2013 - Springfields, Towcester 6 March 2014 – Bodicote House	17 June 2013 - Springfields, Towcester 18 November 2013 - Bodicote House
Lead Officer: Pat Simpson, Democratic Contact Officer: Sharon Hickson, 01295 221554	Democratic Contact Officer: Natasha Clark, 01295 221589	Democratic Contact Officer: James Doble, 01295 221587	

NOTES: Meetings of the Joint Personnel Committee will be arranged as required however the following date is proposed for the first meeting of the Committee to ensure that a Chairman and Vice-Chairman are appointed in a timely manner:

Joint Personnel Committee, Thursday 13 June 2012, 7pm, Bodicote House

Joint Appeals Committee meetings will be arranged as required.