PART 4

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1. MEETINGS OF THE COUNCIL

1.1 The Annual Meeting of the Council is held at The Council Chamber, The Grange, Ely on a date and time determined by the Council and published on the Council's website and on agenda published no less than five working days prior to each meeting. In a year of ordinary election of Councillors, the Annual Meeting is held either on the eighth day after the retirement of Councillors or such other day (determined by the Council) within twenty-one days immediately following that day.

The Council shall at the Annual Meeting appoint such Committees, Sub-Committees, Working Parties or other bodies, as they are required to appoint by or under any statute or under this Constitution and may at any time appoint such other Committees, Sub-Committees, Working Parties or other bodies as are necessary to carry out the work of the Council.

Subject to any statutory limitation, such appointments shall not be for any longer period than 2 years. (This does not prevent a Member from being re-appointed at the end of that term).

Council may at any time dissolve a Committee, Sub-Committee, Working Party or other body or alter its membership.

Ordinary meetings of the Council generally are held at 6.00pm on a Tuesday or Thursday (unless the Council agrees an alternative day or time for any meeting or meetings). Council meetings (other than the Annual Meeting) may be held at The Grange or at suitable venues elsewhere in the District.

Extraordinary meetings of the Council – The Chief Executive may call or those listed below may request the Chief Executive to call Council meetings in addition to ordinary meetings:

1.1.1 the Council by resolution;
1.1.2 the Chairman of the Council;
1.1.3 the Monitoring Officer; and
1.1.4 any five Members of the Council if they have signed a requisition presented to the Chairman of the Council and he/she has refused to call a meeting or has failed to call a meeting within eight working days of the presentation of the requisition.

2. ELECTION OF CHAIRMAN AND VICE-CHAIRMAN OF THE COUNCIL

The Council at the Annual Meeting elects a Chairman and Vice-Chairman. Nominations for these offices are to be duly proposed and seconded and delivered to the Chief Executive not less than fourteen days before the date of the Annual Meeting (except in the year of District Elections, when they must be delivered not less than five days before the meeting).

3. QUORUM

No business can be transacted at a meeting of full Council unless at least 7 Members of the Council are present. If there are less than 7 Members present (not including those who have declared an interest and left the Chamber for any item) the Chairman will adjourn the meeting. No business can be transacted at a meeting of the Council's

committees and other Member bodies unless there are present sufficient Members to form a quorum. The quorum figure for each Committee and other Member body is set out in Section 1 of Part 3 of this Constitution.

Any business not transacted up to the time of that adjournment stands over to a date and time fixed by the Chairman at the time the meeting is adjourned, or if no such date or time is fixed, to the next ordinary meeting of the Council.

4. ORDER OF BUSINESS

4.1 The order of business at meetings of the Council is:

4.1.1 ANNUAL COUNCIL - ORDER OF BUSINESS

Public question time (15 minutes or until the last question is answered, whichever is the sooner).

(i) Election of Chairman
(ii) Anything required to be done prior to the formal business commencing
(iii) Minutes of the last Council meeting
(iv) Election of Vice Chairman
(v) Chairman's announcements
(vi) Receiving petitions (in accordance with the Petitions Scheme)
(vii) Motions
(viii) Questions under Council Procedure Rules
(ix) Presentations by invited guests
(x) Names of the Leaders and Deputy Leaders of declared political groups (and where applicable, Leader and Deputy Leader of Council)
(xi) Any change to the political proportionality of the Council
(xii) Appointment of Policy Committees, Regulatory Committees (and any Sub-Committees of these bodies) via a written report with a resolution (or an oral report where there is no time for a written report in a year of election)
(xiii) Appointment of other Member bodies or Working Parties if necessary via a written report with a resolution (or an oral report where there is no time for a written report in a year of election)
(xiv) Appointments to Outside Bodies if necessary, via a written report with a resolution (or an oral report where there is no time for a written report in a year of election)
(xv) Recommendations from Committees and other Member bodies
(xvi) Any items, which have not been through Committees and other Member bodies etc but which require a resolution of Full Council
(xvii) Confidential items.

4.1.2 ORDINARY MEETINGS OF COUNCIL - ORDER OF BUSINESS

Public question time (15 minutes or until the last question is answered whichever is the sooner)

(i) Election of Chairman (if the Chairman and Vice-Chairman are not present)
(ii) Anything required to be done prior to the formal business commencing
(iii) Minutes of the last Council meeting

(iv) Chairman's announcements
(v) Receiving Petitions (in accordance with the Petitions Scheme)
(vi) Motions
(vii) Questions under Council Procedure Rules
(viii) Presentations by invited guests/Committee Chairpersons
(ix) Recommendations from Committees and other Member bodies
(x) Any items which have not been through Committees and other Member bodies, etc but which require a resolution from full Council
(xi) Any report(s) from Council appointees on the activities of the Board, Committees and other Member Bodies of the Cambridgeshire & Peterborough Combined Authority
(xii) Any changes to the political proportionality of the Council, its effect on Committees, etc and to Leaders and Deputy Leaders of declared political groups.
(xiii) Confidential items

4.1.3 EXTRAORDINARY (OR SPECIAL) MEETINGS OF COUNCIL - ORDER OF BUSINESS

Public question time (15 minutes or until the last question is answered whichever is the sooner).
(i) Election of Chairman (if the Chairman and Vice-Chairman are not present)
(ii) Chairman's announcements
(iii) Consideration of the matter in respect of which the EGM has been called (where exempt/confidential information may be discussed, it may be necessary to exclude the press and public for all or part of the item)

Minutes of the last Council meeting will not ordinarily be received at any Extraordinary Council meeting.

4.2 The election of a Chairman (as necessary) and anything required to be done prior to the formal business of the meeting commencing must be done before any other items. The order of the remaining business may be varied:
4.2.1 by the Chairman at his/her discretion;
4.2.2 by a resolution passed on a motion (which need not be in writing) duly moved and seconded (which is to be moved and put without discussion).

5. TIME AND PLACE OF MEETINGS

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

6. NOTICE OF AND SUMMONS TO MEETINGS

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

7. CHAIR OF MEETING

The person presiding at the meeting may exercise any power or duty of the Chairman. Where these rules apply to Committee and Sub-Committee meetings, references to the Chairman also include the Chairman of Committees and Sub-Committees.

8. QUESTIONS FROM THE PUBLIC

8.1 To give the public a more direct role in the Council and Committee meetings, the Council has a public question time before the formal start of business.

8.1.1 There is up to 15 minutes public question time immediately prior to each Council or Committee meeting, which does not form part of the formal business of Council (in that resolutions and decisions cannot be immediately taken from it).

8.1.2 Any member of the public (excluding a Member of the Council) can ask one question or make one statement on any topic. As long as there is no suspicion that the question/statement is improper (for example, it must not be offensive, slanderous or disclose information that the Council should keep confidential), the Chairman will invite the questioner to read out their question/statement. No other statements should be made by the questioner unless at the Chairman's invitation. A period of 5 minutes will be allowed for each question/statement and response to be given, unless the Chairman agrees to allow an extension of this.

8.1.3 Questions/statements are to be given in writing and placed in a box provided for the purpose prior to commencement of the public question time. Questions are drawn out one at a time. Any questions not answered at the end of the 15 minutes will receive a written reply.

8.1.4 The question is to the Chairman of the Council or the Chairman of the relevant Committee. They may give a verbal answer or undertake to provide a written answer to the question as soon as possible (such reply to be circulated to all Members) or they may decline to answer (for example, on the grounds that the information requested is confidential).

9. VOTING

9.1 General

9.1.1 Voting at a meeting of the Council its Committees and other Member bodies is by show of hands, unless a motion is passed to the contrary or unless otherwise stated in this Constitution.

9.1.2 At the Budget meeting(s) each year, voting on any motion or amendment relating to the Budget or setting of the Council Tax will be recorded to show whether each member present voted for or against the motion or amendment or abstained from voting.[1]

[1] In accordance with The Local Authorities (Standing Orders) (England) (Amendment) Regulations 2014

9.1.3 With the exception of Rule 9.1.2, when there is a request for a recorded vote (prior to the vote being taken) the voting on a motion or amendment is recorded to show whether each member present voted for or against the motion or amendment or abstained from voting.

9.1.4 In the case of an equality of votes, the Chairman shall have a second or casting vote providing the Chairman has already voted.

9.1.5 Any Member present at the meeting may, immediately after a vote is taken, request that his/her vote (for or against) or abstention be recorded in the minutes of the meeting.

9.2 On Appointments

9.2.1 If contested, the appointment of the Chairman and Vice-Chairman of the Council will be by secret ballot.

9.2.2 Appointment of Members to:

- Chairmanships and Vice-Chairmanships of Committees
- Sub-Committees, Working Parties
- Outside Bodies

shall be by a show of hands, or by secret ballot on the passing of a motion to allow such a ballot.

10. MOTIONS WITH NOTICE

10.1 A Council Member may, upon prior written notice, put a motion in writing to Council under this Council Procedure Rule. Notice of every motion (other than a motion which under Council Procedure Rule 11 may be moved without notice) must be given in writing, signed by the member or members of the Council giving notice, and delivered to the Chief Executive eight clear working days (i.e. excluding Saturdays, Sundays and Bank Holidays) before the meeting at which it is to be considered. On receipt, it will be dated, numbered in order in which it is received, and entered in a book open to the inspection of every Member of the Council.

10.2 The summons for every meeting of the Council will include in full all motions of which notice has been duly given in the order in which they have been received (unless the member giving such a notice has indicated in writing, when giving it, that he proposed to move it at some later meeting, or has subsequently withdrawn it in writing).

10.3 If a motion set out in the summons is not moved either by a Member who gave notice thereof or by some other Member on his/her behalf, it will, unless deferred by the consent of the Council, be treated as withdrawn and may not be moved without fresh notice being given.

10.4 If the subject matter of any motion comes within the terms of reference of any Committee, Sub-Committee, etc it will, upon being moved and seconded, stand referred without discussion to such Committee, Sub-Committee, etc or to such other Committee, Sub-Committee, etc as the Council decide, unless the Chairman shall decide that it is more convenient and efficient to allow the motion to be dealt with at that Council meeting.

10.5 Every motion must be relevant to some matter in relation to which the Council have powers or duties or which affects the District.

10.6 Amendments to Motions with notice should be provided in writing and delivered to the Chief Executive not less than 24 hours prior to the date of the meeting at which the Motion will be considered.

11. MOTIONS WITHOUT NOTICE

The following motions and amendments may be moved without notice at a meeting of the Council:

11.1 Appointment of a Chairman of that meeting.
11.2 Motions relating to the accuracy of the minutes of the previous meeting.
11.3 That an item of business listed in the summons be brought forward.
11.4 Reference back of a recommendation to a Committee, Sub-Committee, etc.
11.5 Appointment of Members to a Committee, Sub-Committee or Working Party, occasioned by an item mentioned in the summons to the meeting.
11.6 Receipt and adoption of reports and recommendations of committees, sub-committees etc.
11.7 That leave be given to withdraw a motion.
11.8 Extending the time limit for speeches.
11.9 Amendments to motions (with the exception of amendments on the Council's Budget which should be provided in writing to the Chief Executive at least 24 hours prior to the meeting).
11.10 That the Council proceed to the next business.
11.11 That the question should now be put.
11.12 That the debate should now be adjourned.
11.13 That the Council should now adjourn.
11.14 Suspending the Constitution or any part of it (in accordance with these Council Procedure Rules).
11.15 Motion under section 100A of the Local Government Act 1972 (as amended) to exclude the public (including the press).
11.16 That a Member named under these Council Procedure Rules should be not further heard or should leave the meeting.
11.17 Giving the consent of the Council where such consent is required by these Council Procedure Rules.
11.18 Voting on appointments in accordance with these Council Procedure Rules.
11.19 Recorded votes in accordance with these Council Procedure Rules.

12. MOTIONS AND AMENDMENTS

12.1 Procedure

A motion or amendment will not be discussed unless it has been proposed and seconded, and (unless notice has already been given in accordance with these Council Procedure Rules) it will, if required by the Chairman, be put into writing and handed to the Chairman before it is further discussed or put to the meeting.

12.2 Seconder's Speech

A Member when seconding a motion or amendment may, if he/she at that time declares his/her intention to do so, reserve his/her speech until a later period of the debate.

12.3 Amendments

An amendment must be relevant to the motion and should either:

12.3.1 refer a subject of debate to a committee, etc for consideration or re-consideration;

12.3.2 leave out words;

12.3.3 leave out words and insert or add others;

12.3.4 insert or add words;

An amendment which has the effect of negativing the motion before the Council will not be accepted as an amendment.

12.4 One Amendment at a Time

Only one amendment may be moved and discussed at a time and no further amendment shall be moved until the amendment under discussion has been disposed of. A Member may not move more than one amendment relating to the same matter.

However, two or more amendments may be discussed (but not voted on) together if in the Chairman's opinion this would facilitate the proper conduct of the Council's business.

12.5 Further Amendments

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

12.6 Alteration of Motion

A Member may:

12.6.1 alter a motion of which he/she has given notice, or

12.6.2 with the further consent of his Seconder alter a motion which he/she has moved, if (in either case) the alteration is one which could be made as an amendment thereto.

12.7 Withdrawal

A motion or amendment may be withdrawn by the mover with the consent of his/her Seconder and of the Council (without debate), and no Member may speak upon it after the mover has asked permission for its withdrawal, unless such permission shall have been refused by the Chairman.

12.8 Closure Motions

A Member may move without comment at the conclusion of a speech of another Member, "That the Council/Committee proceed to the next business", "That the question should now be put", "That the debate should now be adjourned", or "That the Council/Committee should now adjourn", on the seconding of which the Chairman shall proceed as follows:

12.8.1 on a motion to proceed to next business: unless in his opinion the matter before the meeting has been insufficiently discussed, he/she shall first give the mover of the original motion a right of reply, and then put to the vote the motion to proceed to the next business;

12.8.2 on a motion that the question should now be put: unless in his opinion the matter before the meeting has been insufficiently discussed, he/she shall first put to the vote the motion that the question be now put, and if it is passed then give the mover of the original motion his/her right of reply under paragraph 12.9 of this Council Procedure Rule before putting his motion to the vote;

12.8.3 on a motion to adjourn the debate or the meeting: if in his/her opinion the matter before the meeting has not been sufficiently discussed and cannot reasonably be sufficiently discussed on that occasion he/she shall put the adjournment motion to the vote without giving the mover of the original motion his right of reply on that occasion.

12.9 Right to Reply

The mover of a motion (but not an amendment) has a right to reply at the close of the debate on the motion, immediately before it is put to the vote, but such debate must be relevant to the motion. If an amendment is moved, the mover of the original motion also has a right of reply at the close of the debate on the amendment, but may not otherwise speak on the amendment. The mover of the amendment shall have no right of reply to the debate on his/her amendment.

12.10 Motions which may be moved during Debate.

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

12.10.1 to amend the motion (with the exception of amendments on the Council's Budget which should be provided in writing to the Chief Executive at least 24 hours prior to the meeting);
12.10.2 to adjourn the meeting;
12.10.3 to adjourn the debate;
12.10.4 to proceed to the next business;
12.10.5 that the question should now be put;
12.10.6 that a Member should not be further heard;
12.10.7 by the Chairman under these Council's Procedure Rules that a Member should leave the meeting;
12.10.8 a motion under Section 100(A) of the Local Government Act 1972 (as amended) to exclude the public;
12.10.9 that leave be given to withdraw a motion or amendment.

13. QUESTIONS BY MEMBERS

13.1 A Member of the Council may ask the Chairman of a committee any question upon any item in the minutes of a committee if those minutes are before the Council either for receipt or adoption.

13.2 A Member of the Council may also put a question before the Council either:

13.2.1 by giving the question in writing to the Chief Executive not less than 24 hours before the Council meeting or

13.2.2 with the prior permission of the Chairman at the meeting itself. (In this case Members should ensure that copies of the question are available for distribution at the meeting).

Provided always that such questions may be rejected by the Chief Executive or Chairman if they are matters for which the authority has no responsibility or which does not affect the District; is substantially the same as a question which has been put to Council in the past 12 months; or requires the disclosure of confidential or exempt information.

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

13.4 An answer to a question asked as aforesaid may take the form of:

13.4.1 a direct or oral answer; or

13.4.2 where the desired information is contained in a publication of or document issued by the Council, a reference to that publication; or

13.4.3 where the reply to the question cannot conveniently be given orally, a written answer circulated to all Members of the Council within seven days after the date of the meeting.

14. MINUTES

No discussion will take place upon the minutes of Council, its Committees and other Member bodies, except upon their accuracy, and any questions of their accuracy shall be raised by motion. If no such question is raised, or if it is raised then as soon as it has been disposed of, the Chairman will sign the minutes.

Any Member at a meeting of the Council or of a Committee, may request that a minute be taken of what either they or any other Member has said in that meeting. The minute will then be attributed to the Member making the comment as will all other comments made by Members, which are referred to in the minutes.

The text of all amendments, which are proposed and seconded, will be minuted in full.

15. ONE MEMBER AT A TIME

A Member when speaking should stand (unless the Chairman agrees they may remain seated) and address the Chairman. If two or more Members rise, the Chairman shall call on one to speak; the other or others must then sit. While a Member is speaking the other Members must remain seated, unless rising to a point of order or in personal explanation.

16. SPEECHES

16.1 Contents and Duration of Speeches
A speech should relate to the question under discussion or to a point of order or of clarification. No speech may be longer than five minutes, except by consent of the Chairman.

16.2 When a Member may Speak Again
A Member who has spoken on any motion may not speak again whilst it is the subject of debate, except:

16.2.1 to speak once on an amendment moved by another Member;

16.2.2 if the motion has been amended since he/she last spoke, to move a further amendment;
16.2.3 if his/her first speech was on an amendment moved by another Member (whether or not carried), to speak on the main issue;
16.2.4 in exercise of a right of reply given by these Council Procedure Rules;
16.2.5 on a point of order;
16.2.6 by way of personal explanation;
16.2.7 otherwise by consent of the Chairman (subject to any proposal to move to next business which would take precedence).

17. POINTS OF ORDER

17.1 A Member may rise on a point of order or of clarification, and is then entitled to be heard at that point. A point of order may relate only to an alleged breach of these Council Procedure Rules or statutory provisions and the Members must specify both the Council Procedure Rule or statutory provision and the way in which he/she considers it has been broken. A point of clarification must be confined to some material part of a previous speech by him/her which may appear to have been misunderstood in the present debate.

17.2 The ruling of the Chairman on a point of order or point of clarification is final.

18. RESPECT FOR CHAIR

Whenever the Chairman requires it during a debate any Member then standing and/or speaking must resume his seat and cease speaking.

19. ATTENDANCE AND CONDUCT AT MEETINGS

19.1 A Member of the Council is permitted to attend a meeting of any Committee, Panel or Working Party of which he/she is not a Member (subject to the rules relating to declarations of interest). A Member attending a meeting of which he/she is not a standing Member shall speak once only on any item but may speak again at the discretion of the Chairman (subject to any proposal to move to next business which would take precedence).

19.2 A Member of the Council who has moved a motion which has been referred to any Committee or other Member body, shall have notice of the meeting of the Committee or other Member body at which it is proposed to consider the motion. He/she shall have the right to attend that meeting and, if he attends, he shall have an opportunity of speaking to the motion and exercising a right of reply.

19.3 Members' Conduct

19.3.1 If at a Council meeting the Chairman informs the Council of his/her opinion that a Member is misconducting himself/herself e.g.

-by persistently disregarding the ruling of the Chair;
-by behaving irregularly, improperly or offensively;
-by wilfully obstructing the business of the Council;
-because of the irrelevance or repetitious content or nature of
-his/her speeches;

the Chairman or any other Member may move "That the Member named be not further heard" and that motion if seconded shall be put and determined without discussion.

19.3.2 If the Member named continues his/her misconduct after a motion under the foregoing paragraph has been carried the Chairman shall:

EITHER move "That the Member named do leave the meeting" (in which case the motion shall be put and determined without seconding or discussion);

OR adjourn the meeting of the Council for such period as he/she in his/her discretion shall consider expedient.

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

[Note: A procedure for impolite/unruly/disruptive behaviour by Members at a meeting has been produced for Council/Committee Chairman in accordance with this Procedure Rule]

19.3.4 If a Member attends a Meeting, where any business of the meeting relates to or is likely to affect that Member's Disclosable Pecuniary Interest as described at paragraph 7 (and Appendix A) of the Members Code of Conduct, then the Member:

(i) must not participate in any discussion on that item of business;

(ii) must not vote on that item of business;

(iii) must retire from the Meeting, until the discussion and vote on that item of business has taken place.

19.3.5 If a Member attends a Meeting, where any business of the meeting relates to or is likely to affect that Member's Prejudicial Interest as described at paragraph 13 of the Members Code of Conduct, then the Member:

(i) must not participate in any discussion on that item of business;

(ii) must not vote on that item of business;

(iii) must retire from the Meeting, until the discussion and vote on that item of business has taken place **UNLESS** the Member is exercising a Speaking Right as described in paragraph 1.5 of the Member Code of Conduct. Such a Speaking Right shall be exercised in accordance with paragraph 13 of the Member Code of Conduct and once exercised the Member must retire from the Meeting until the discussion and vote on that item of business has taken place.

19.3.6 In the event that the Member with the Interest described in paragraphs 7 and 13 of the Member Code of Conduct, does not abide by Rules 19.3.4 and 19.3.5, the Chairman shall follow the procedure under Rule 19.3.2.

19.4 Disturbance by Members of the Public

If a member of the public interrupts the proceedings at any Council meeting the Chairman shall warn him. If he/she continues the interruption the Chairman shall order his/her removal from the meeting. In case of general disturbance in any part of the room where a meeting open to the public is held the Chairman shall order that part to be cleared.

[Note: A procedure following disruption to a meeting has been produced for Council/Committee Chairmen in accordance with this procedure rule].

19.5 Photography, Audio/Visual recording of Meetings and Blogging/Tweeting

Photography, filming, audio recording of meetings and use of social media such as blogging/tweeting during a meeting will be permitted provided that it is not disruptive and does not detract from the proper conduct of the meeting.

20. RESCISSION OF PRECEDING RESOLUTION

No motion to rescind any resolution passed within the preceding six months, and no motion or amendment to the same effect as one which has been rejected within the preceding six months, shall be proposed unless notice is given in writing, signed by at least five Members of the Council and delivered to the Chief Executive eight clear working days (i.e. excluding Saturdays, Sundays and Bank Holidays) before the meeting at which it is to be considered. When any such motion or amendment has been dealt with by the Council, it shall not be open to any Member to propose a similar motion within a further period of six months.

However, this Council Procedure Rule does not apply to motions moved in pursuance of consideration of a recommendation of a committee, or as a result of legislative change.

21. SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES

21.1 Suspension

All of these Council Rules of Procedure except Rule 9.1.4 and this Rule 21.1 may be suspended by motion with notice or without notice if requested by at least two thirds of Councillors present and voting. Suspension can only be for the duration of the relevant item at the meeting.

21.2 Amendment

Any motion to add to, vary or revoke these Council Procedure Rules will, when proposed and seconded, stand adjourned without discussion to the next ordinary meeting of the Council, if an item to make such an amendment has not appeared on the summons for the meeting.

22. RECORD OF ATTENDANCE

The Chief Executive as proper officer shall record the attendance of all Members present during the whole or part of every meeting of the Council or its committees, etc but the Chairman of any such meeting may, exceptionally, require all such Members

to sign their names on attendance sheets before the conclusion of any meeting to assist with the record of attendance.

The timing of any Members late arrival or early departure from meetings will be recorded.

23. EXCLUSION OF THE PRESS AND PUBLIC

Members of the public and/or press may only be excluded either in accordance with the Access to Information rules in this constitution or Council Procedure Rule 19.4 (Disturbance by Members of the Public).

24. APPOINTMENT OF COMMITTEES, ETC OF SUBSTITUTE AND CO-OPTED MEMBERS OF COMMITTEES AND SUB-COMMITTEES

24.1 Appointment of Committees, Sub-Committee, Panels

24.1.1 Prior to Annual Council, the leader of each political group shall notify the Chief Executive of the names of the Members of each group to be appointed to each Committee, Sub-Committee and Panel in accordance with the number of seats available to them on each such body.

24.1.2 Election of Chairman and Vice-Chairman of Committees, Sub-Committees, Panels and Working Parties

Every Committee, Sub-Committee, Panel and Working Party shall, at its first meeting after the Annual Meeting of the Council before proceeding to any other business elect a Chairman for the ensuing Municipal year, and may at any time appoint a Vice-Chairman. In the absence from a meeting of the Chairman (and Vice-Chairman if elected) a Chairman for that meeting may be appointed.

24.1.3 Special Meetings

The Chairman of the Committee, Sub-Committee, Panel or Working Party or the Chairman of the Council may call a special meeting of the Committee, Sub-Committee, Panel or Working Party at any time. A special meeting shall also be called on the requisition of half of the whole number of the Committee, Sub-Committee, Panel or Working Party, delivered in writing to the Chief Executive, but in no case shall fewer than four Members requisition a special meeting. The summons to the special meeting shall set out the business to be considered thereat, and no business other than that set out in the summons shall be considered at that meeting.

24.1.4 Working Parties

Every Committee, Sub-Committee and Panel appointed by the Council may appoint Working Parties for purposes to be specified by the Committee or Panel.

24.2 **Substitutions**

24.2.1 Allocation

As well as allocating seats on Committees and Sub-Committees, the Council will allocate Members in the same manner as substitute Members. The onus for nominating the respective substitute Member for each Member body rests with the appropriate political group. Nominations are to be made by the leader of each political group.

24.2.2 Number

For each relevant Committee or Sub-Committee, the Council (or Committee in the case of a Sub-Committee) will appoint up to three substitutes in respect of each group, either or both of whom may substitute for any Committee Member(s) in their group. All exceptions to this are specified in the Committee or Sub-Committee Terms of Reference.

24.2.3 Powers and Duties

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

24.2.4 Substitution

Substitute Members may attend meetings in that capacity only:

24.2.4.1 to take the place of an absent ordinary Member for whom they are the designated substitute;

24.2.4.2 where the ordinary Member will be absent for the whole of the meeting;

24.2.4.3 (in the case of Planning and Licensing Committee), where the substitute Member has attended training (and not until or unless such induction training has been undertaken, and thereafter any annual training arranged for Members);

24.2.4.4 (in the case of Planning and Licensing Committee), where the usual Member of the Committee, or in his/her absence, the Group Leaders (or his/her Deputy) have given a minimum of one clear days notice to the relevant Democratic Services Officer that they are unable to attend, and the name of substitute Member attending; and

Provided the above conditions have been satisfied, the substitute Member shall retain the right to vote for the duration of the meeting and may not be replaced by the Member for whom he or she is substituting.

However, if the Member who is to be replaced ("the original Member") is present at the start of the meeting then the substitution shall not have effect for that meeting - so that the substitute may not speak and/or vote in that capacity at that meeting and may only otherwise speak with the prior consent of the

Chairman. This will not apply where Planning Committee substitute Members have been nominated to attend.

Where the original Member is not present at the start of the meeting at which the substitute is present, but arrives later, the original Member may not speak and/or vote at that meeting as a member of that Member Body and may only otherwise speak with the prior consent of the Chairman.

24.3 **Co-option of Non-Councillors onto the Council's Working Parties & Finance & Assets (Ethical Governance) Sub-Committee**

24.3.1 No more than two co-optees may be appointed to any individual Working Party.

24.3.2 Co-optees to Finance & Assets (Ethical Governance) Sub-Committee will be appointed in accordance with the Terms of Reference for the Sub-Committee.

24.3.3 The duration of the co-optees appointment should be a matter for the Working Party to make recommendations to Council in each instance, with the proviso that co-options would end at the end of each municipal year (requiring the co-optees to be formally re-appointed or new ones to be appointed at the first meeting of the Working Party) and that the Working Party should have the power to recommend to Council the termination of any co-option at any time.

24.3.4 Co-optees on Working Parties have voting rights.

24.3.5 Co-optees do not count for the purposes of the quorum.

24.3.6 It is a specific term of the appointment of co-optees that they do not make statements to the press on the business of or purporting to be on behalf of the Working Party.

24.3.7 There are no rights of substitution for co-opted Members.

25. REFERRAL-UP

25.1 If a Policy Committee/ Sub-Committee[2] are unwilling or unable to make a decision[3] on any matter within its Terms of Reference, the Committee/ Sub-Committee may resolve to refer the matter to Full Council for final determination.

25.2 The Council referral-up rule above shall not apply where the decision being taken by the Policy Committee/ Sub-Committee is urgent. Items leading to decisions likely to be categorised as urgent should be identified as such on the published agenda or, where not so practicable, at the meeting itself and on the Decision Notice. Any Member wishing to challenge that categorisation must do so prior to the consideration of the item by the Committee/ Sub-Committee. A decision will be urgent if any delay would seriously prejudice the Council's or the public's interests. The record of the decision and notice by which it is made public shall state whether in the opinion of the decision-making person or body, the decision is an urgent one, and therefore not subject to referral-up. The Leader of the Council (if any) and Chairman of the Committee/ Sub-

[2] This does not include regulatory matters, such as Licensing, Planning or Councillor conduct, unless in respect of Councillor conduct, a request is made to Full Council to censure a Councillor.
[3] This does not include urgent decisions, which should be categorised on the Committee agenda and/or Decision Notice as such. A decision will be urgent if any delay is likely to cause serious prejudice to the Council or the public's interests. See Rule 26.6.

Committee must agree to it being treated as a matter of urgency. In the absence of the Chairman, the Vice-Chairman's consent shall be required. In the absence of both, the Head of Paid Service or his/her nominee's consent shall be required.

26. COUNCIL CALL-IN

26.1 Member Call-in should only be used in exceptional circumstances. The procedure for call-in will be as follows:

26.1 When a decision is made by a Policy Committee/ Sub-Committee, the decision shall be published, including where possible by electronic means, and shall be available at the main offices of the Council as soon as practicable after being made and within 3 working days of the meeting. All Councillors will be sent copies of the records of all such decisions within the same timescale, by the person responsible for publishing the decision.

26.2 That decision notice will bear the date on which it is published and will specify that the decision will come into force, and may then be implemented, on the 7th working day after the publication, ***unless*** any 3 Members call it in to Full Council within 5 working days of the meeting, excluding the day of the decision. Recommendations of the Policy Committee to other bodies (or to Council), or urgent decisions (see Rule 26.6) cannot be called-in. Receipt of the call-in suspends implementation of the decision, until confirmation of rejection of the call in/ or where accepted, final determination by Full Council (where appropriate).

26.3 A call-in of a decision should be made in writing to the Chief Executive on the specified call-in form. Where a decision is called-in during that period, the Chief Executive shall notify the Chairman of the relevant Committee or Sub-Committee that a call-in has been received (and any relevant officers). Copies of the call-in will be given to the Leaders of the Council's political groups as soon as possible.

26.4 Formal written acceptance or refusal of the call-in will be given to the Members calling in the decision within 5 working days of its receipt by the Chief Executive or in his absence Democratic Services Manager. Any refusal must include the reasons for that refusal.

26.5 If a Call-in is accepted, it will then be considered by the next programmed meeting of Full Council or by a special meeting convened in accordance with this Constitution. No action on the decision will be taken until Full Council has considered the decision and shall make a final decision (and in doing so may resolve to uphold, amend or reject the previous decision). This decision shall then take effect from the date when made by Full Council.

26.6 **Council call-In and urgency:** The Council call-in procedure rules above shall not apply where the decision being taken by the Policy Committee/ Sub-Committee is urgent. The process for challenging this categorisation and designation of a decision as urgent, as set out under Rule 25.2 above shall apply.

27. APPLICATION TO COMMITTEES AND OTHER MEMBER BODIES

27.1 All the Council Procedure Rules apply to meetings of full Council.

27.2 All the Council Procedure Rules with the exception of Rules 1, 2, 4, 10, 11, 13, 15, and 21.2 apply to meetings of the Council's Committees and other Member Bodies.

27.3 Committees may appoint and dissolve their Sub Committees, Working Parties and determine their Sub Committees terms of reference and appointment.

27.4 The Chief Executive (Lead Officer in the case of the Shareholder Committee) may call or those listed below may request the Chief Executive (Lead Officer in the case of the Shareholder Committee) to call Committee, Sub-Committee or Working Party meetings in addition to previously scheduled meetings, and in the case of the Shareholder Committee request the attendance of the Chairman and Managing Director of the LATC:

27.4.1 the member body itself by resolution;
27.4.2 the Chairman of the member body;
27.4.3 the Monitoring Officer or Lead Officer(s) for the member body; and
27.4.4 any three Members of Council, at least two of whom must be on the member body, if they have signed a requisition presented to the Chairman of the member body who has refused to call a meeting or has failed to call a meeting within eight working days of presentation of the requisition.

28. MEMBER BODY MOTIONS WITHOUT NOTICE

Amongst others the following motions and amendments may be moved without notice at a meeting of a member body:

28.1 Appointment of a chairman of that meeting.

28.2 Motions relating to the accuracy of the minutes of the previous meeting.

28.3 That an item of business listed in the summary be brought forward.

28.4 Reference back of a recommendation to a sub-committee or working party, etc.

28.5 Appointment of members to a Sub-Committee or Working Party, occasioned by an item mentioned in the summons to the meeting.

28.6 Receipt and adoption of reports and recommendations of Sub-Committees etc.

28.7 That leave be given to withdraw a motion.

28.8 Extending the time limit of speeches.

28.9 Amendment to motions.

28.10 That the member body proceeds to the next business.

28.11 That the question be now put.

28.12 That the debate should now be adjourned.

28.13 That the member body should now adjourn.

28.14 Suspending the constitution or any part of it (in accordance with the Council Procedure Rules).

28.15 Motion under S100A of the Local Government Act 1972 (as amended) to exclude the public (including the press).

28.16 That a Member named under these Council Procedure Rules should be not further heard or should leave the meeting.

28.17 Giving the consent of the Council where such consent is required by these Council Procedure Rules.

28.18 Voting on appointments in accordance with these Council Procedure Rules.

28.19 Recorded votes in accordance with these Council Procedure Rules.

29. LOCATION OF MEMBER BODY MEETINGS

29.1 These will generally be at the Council Offices at The Grange but in consultation with the Chairman of the relevant body, the lead officer for that body may arrange a particular meeting at an alternative venue if appropriate. The final decision on location will be taken when the agenda for that meeting is finalised.

2. ACCESS TO INFORMATION PROCEDURE RULES

1. These rules apply to all meetings of the Council, Committees, Area Committees (if any), and Sub-Committees. Agenda and reports may be available for Working Parties and Panels (together called meetings of the Council).

2. ADDITIONAL RIGHTS TO INFORMATION

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

3. RIGHTS TO ATTEND MEETINGS

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

4. NOTICES OF MEETING

The Council will give at least five clear days notice of any meeting by posting details of the meeting at the Reception area, the Council Offices, The Grange, Nutholt Lane, Ely.

5. ACCESS TO AGENDA AND REPORTS BEFORE THE MEETING

The Council will make copies of the agenda and reports open to the public available for inspection at Council Offices at least five clear days before the meeting. If an item is added to the agenda later, the revised agenda (where reports are prepared after the summons has been sent out, the designated officer shall make each such report available to the public as soon as the report is completed and sent to Councillors) will be open to inspection from the time the item was added to the agenda. Access to exempt report or documents are dealt with below.

6. SUPPLY OF COPIES

The Council will supply copies of:

(a) any agenda and reports, which are open to public inspection;

(b) any further statements or particulars necessary to indicate the nature of the items in the agenda; and

(c) if the Chief Executive thinks fit, copies of any other documents supplied to Councillors in connection with an item;

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

7. ACCESS TO MINUTES, ETC AFTER THE MEETING

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

(a) the minutes of the meeting, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;

(b) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonable fair and coherent record;

(c) the agenda for the meeting; and

(d) reports relating to items when the meeting was open to the public.

8. BACKGROUND PAPERS

8.1 List of background papers

Every report will include a list of those documents (called background papers) relating to the subject matter of the report which in the lead officer's opinion:

(a) disclose any facts or matters on which the report or an important part of the report is based; and

(b) which have been relied on to a material extent in preparing the report

but does not include published works or those which disclose exempt or confidential information (as defined in Rule 10).

8.2 Public inspection of background papers

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

9. SUMMARY OF PUBLIC RIGHTS

A written summary of the rights of the public to attend meetings and to inspect and copy documents must be kept at and be available to the public at the Council's Offices at The Grange.

10. EXCLUSION OF THE PUBLIC FROM MEETINGS

The Council will endeavour to conduct its business in public. However:

10.1 Confidential information - requirement to exclude public

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

10.2 Exempt information - discretion to exclude public

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

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

10.3 Meaning of confidential information

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

10.4 Meaning of exempt information

Exempt information means information falling within any of the following 7 categories:

1. Information relating to any individual.

2. Information, which is likely to reveal the identity of an individual.

3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).

4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.

5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.

6. Information which reveals that the authority proposes:-

   a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
   b) to make an order or direction under any enactment.

7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

10.5 Qualifications relating to exempt information

10.5.1 Information falling within paragraph 3 above is not exempt information by virtue of that paragraph if it is registered under:-

   a) the Companies Act 1985;

   b) the Friendly Societies Act 1974;

   c) the Friendly Societies Act 1992;

   d) the Industrial and Provident Societies Acts 1965 to 1978;

   e) the Building Societies Act 1986; or

   f) the Charities Act 1993.

10.5.2 Information falling within any of the paragraphs 1-7 is not exempt information if it relates to proposed development for which the local planning authority may

grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

10.5.3 Information which:-

a) falls within any of paragraphs 1 to 7 above; and

b) is not prevented from being exempt by virtue of paragraph 10.5.1 or 10.5.2 above, is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

[Note: paragraph 10.5.3 above establishes a 'public interest' test both in relation to the original application of the exemption and the length of time that the information remains exempt.]

11. EXCLUSION OF THE PUBLIC TO REPORTS

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

12. INSPECTION OF DOCUMENTS BY MEMBER

12.1 A Member of the Council may inspect such reports (including exempt reports) or minutes and obtain a copy prior to the matter being considered by a Committee, Sub-Committee or Working Party. Exempt reports and papers will be circulated in advance of a Committee, Sub-Committee or Working Party meeting to the Members of that body, or substitute Members or any other Member that requests a copy. Further copies of exempt reports will be available at the meeting.

12.2 Otherwise, a Member of the Council on application to the Monitoring Officer may inspect any exempt document (background or otherwise) which is to be or has been considered by the Council or any Committee, Sub-Committee or Working Party etc and if copies are available shall on request be supplied for the like purposes with a copy of such a document which was consulted, referred to or used by any officer in pursuance of the execution of powers delegated to him by the Council Committee, provided the Member demonstrates that this is necessary to enable the Member to properly perform his/her duties as a Member of the Council and provided that a Member shall not knowingly inspect and shall not call for a copy of any document relating to a matter in which he has a Disclosable Pecuniary Interest (DPI) or prejudicial interest within the meaning of the Members Code of Conduct from time to time in force.

13. INSPECTION OF LANDS, PREMISES, ETC BY MEMBERS

13.1 Unless specifically authorised to do so by the Council or a Committee, a Member of the Council shall not issue any order respecting any works which are being carried out by or on behalf of the Council or claim by virtue of his membership of the Council any right to inspect or to enter upon any lands or premises which the Council have the power or duty to inspect or enter.

3. BUDGET AND POLICY FRAMEWORK PROCEDURES

3.1 The framework for decision making

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

3.2 Process for developing the framework

(a) The Council will produce annually a programme for establishing the budget and policy framework for the following year.

(b) The policy and budget framework presented to Council will be available for public consultation. As part of this public consultation, the Council will consult with local businesses.

(c) In approving the policy and budgetary framework, the Council will also specify the extent of virement within the budget and degree of in-year changes to the policy framework, which may be undertaken by Policy Committees, in accordance with its Financial Regulations. Any other changes to the policy and budgetary framework are reserved to the Council.

4. FINANCIAL REGULATIONS

1.0 INTRODUCTION

1.1 The purpose of the Council's Financial Regulations is to provide the framework for managing the Council's financial affairs. They apply to every Member and officer of the Council and anyone acting on its behalf.

1.2 Every officer has a responsibility to read and be familiar with these Regulations. Non-compliance may be considered to be a disciplinary offence and will be dealt with in accordance with the Council's Disciplinary Policy and Procedure.

1.3 It is the responsibility of the Chief Executive or Directors (to ensure that all staff under their control are aware of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They shall also ensure that an adequate number of copies are available for reference within their departments.

1.4 The Financial Regulations identify the financial responsibilities of the Council, the Finance & Assets Committee, the Chief Executive as Head of Paid Service, the Monitoring Officer, the Chief Finance Officer, Directors and Service Leads. The Council shall maintain a written record where decision-making has been delegated to members of staff, including seconded staff.

1.5 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

1.6 The Chief Finance Officer shall maintain a continuous review of the Financial Regulations and submit any additions or changes necessary to the Council for approval. The Chief Finance Officer shall also report, where appropriate, breaches of the Financial Regulations to the Council.

1.7 Detailed Financial Procedure Rules setting out how the Financial Regulations will be implemented/applied are contained as an appendix to these Regulations.

1.8 The Chief Finance Officer will also issue advice, guidance and procedures to underpin the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow.

2.0 FINANCIAL MANAGEMENT

2.1 Introduction

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

3.0 THE COUNCIL

3.1 The Council is responsible for adopting and approving the budget within which the Council operates. It is also responsible for approving and monitoring compliance with the Council's overall framework of accountability and control.

4.0 THE STATUTORY OFFICERS

4.1 Head of Paid Service

The Council's Head of Paid Service for the purposes of Section 4 of the Local Government and Housing Act 1989 is the Chief Executive.

4.2 Monitoring Officer

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

(i) initiating a new policy
(ii) committing expenditure above the budget level
(iii) incurring interdepartmental transfers above virement limits
(iv) causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

4.3 The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the authority. This is a statutory responsibility and cannot be overridden. The statutory duties arise from:

(i) Section 151 of the Local Government Act 1972
(ii) The Local Government Finance Act 1988
(iii) The Local Government and Housing Act 1989
(iv) The Accounts and Audit Regulations 2003 (SI 2003/533)

4.4 The Chief Finance Officer is responsible for:

(i) the proper administration of the authority's financial affairs
(ii) setting and monitoring compliance with financial management standards
(iii) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
(iv) providing financial information
(v) preparing the revenue budget and capital programme
(vi) treasury management.

4.5 In accordance with Section 114 of the Local Government Finance Act 1988 the Chief Finance Officer shall report to the Council and the external auditor if the Authority or one of its officers:

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

4.6 The Chief Finance Officer shall in accordance with Section 114 of the 1988 Act nominate a properly qualified member of staff (if available) to deputise should he or she be unable to perform the duties under Section 114 personally.

4.7 The Chief Finance Officer shall report to Council where insufficient staff, accommodation or other resources, including legal advice where necessary, are provided for him to properly carry out his duties under Section 114.

4.8 The Chief Executive and the Services Lead shall ensure that members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer

4.9 These officers shall consult with the Chief Finance Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

5.0 OTHER FINANCIAL ACCOUNTABILITIES

5.1 The Council may agree procedures for virement of expenditure between budget headings.

5.2 There is to be a presumption against additions to the budget being made other than through the annual budget round as described below at 6.1. In the normal course of events, the only such supplementary estimates that would be approved would be to meet the costs arising from unforeseen and/or unavoidable eventualities that cannot be accommodated by the normal virement process. The approval by Finance & Assets Committee of such supplementary estimates would be conditional on the formulation of an appropriate recovery plan to protect the overall financial position of the Council.

5.3 Without the prior approval of Finance & Assets Committee:

(a) In the normal course of events it is recognised that spending commitments may be entered into that cause a budget to become overspent due to a necessary response to emergencies, statutory requirements, statutory entitlements, or other imperatives of the service. Such variances, however, must be reported to the Chairman and Group Spokespersons of the relevant Policy Committee and Resources & Finance Committee at the earliest opportunity and brought to the next relevant Policy Committee meeting and subsequent Resources & Finance Committee meeting for confirmation of the corrective action proposed.

(b) Any savings arising from the late or delayed start of new projects or initiatives are to be returned to the central contingency fund.

(c) Unforeseen savings against budget (through unexpected reductions in cost or non-volume driven increases in income) are to be returned to the central contingency fund.

5.4 With Finance & Assets Committee's prior approval, 50% of planned, or engineered, savings against budget can be used to support non-recurring budgets elsewhere within a Policy Committee's remit; the balance shall be returned to the central contingency fund.

5.5 Service development proposals exceeding £25,000, including improvement and change options arising from service plans, must be accompanied by a detailed financial appraisal setting out any external funding streams and the long-term financial implications for the Council.

5.6 Policy Committees shall receive quarterly budget monitoring reports with a requirement to consider outturn projections including virements approved under the mechanisms set out above.

5.7 Finance & Assets Committee shall be responsible for the management of the liabilities and duties arising under Section 106 agreements. Regular reports will be submitted to the Committee detailing those commitments and the relevant available funds.

5.8 Accounting Policies

The Chief Finance Officer shall select appropriate accounting policies and ensure that they are applied consistently.

5.9 Accounting Records and Returns

The Chief Finance Officer shall determine the accounting procedures and records for the authority.

5.10 The Annual Statement of Accounts

The Chief Finance Officer shall ensure that the annual Statement of Accounts is prepared in accordance with relevant legislation and the Codes of Practice. The Audit Committee shall approve the annual Statement of Accounts.

6.0 FINANCIAL PLANNING

6.1 Preparation of the Revenue Budget

The Finance & Assets Committee will set the parameters for each Committee's budget including:

(a) provision for increases in cost for inflation
(b) provision to cover specific volume changes in services caused directly by population changes
(c) efficiency cost reduction targets
(d) variations in budget to be delivered through service adjustments
(e) funding of service development proposals arising from the Service Plan process.

The December meeting of the Finance & Assets Committee will consider any changes required to policies on the collection of Council Tax or Business Rates, such as rules on discounts and reductions.

The January meeting of Committee will consider the overall budget, with the budget report detailing:

- Government Funding,
- Budget Assumptions
  - provision for increases in cost for inflation and volume changes
  - variations in budget to be delivered through service adjustments, including the funding of service development proposals,
- Collection of Council Tax and Business Rate, including the Council Tax base,
- Council Reserves,
- Fees and charges,
- Capital Programme,
- Risk and Sensitivity,
- Medium Term Financial Strategy,

- And then in a separate, but linked report, the Council's Treasury Management Strategy.

6.2 **Guidelines**

Guidelines on budget preparation shall be issued to Members and officers by the Chief Finance Officer following agreement with the Finance & Assets Committee.

The guidelines shall take account, as appropriate, of:

(i) available resources
(ii) legal requirements
(iii) medium-term financial planning prospects
(iv) the corporate plan
(v) spending pressures
(vi) best value and other relevant government guidelines
(vii) other internal policy documents
(viii) cross-cutting issues.

6.3 **Preparation of the Capital Programme**

The Chief Finance Officer shall ensure that a capital programme is prepared on an annual basis for consideration by Finance & Assets Committee at its January meeting before submission to the Council.

6.4 **Budget Monitoring and Control**

It is the responsibility of the Chief Executive, Directors and Service Leads to control income and expenditure within their area and monitor performance, taking account of financial information provided by the Chief Finance Officer. They shall report on material variances within their own areas. They shall also take any action necessary to avoid exceeding their budget allocation and alert the Chief Finance Officer to any problems.

The Chief Finance Officer shall provide appropriate financial information to enable both revenue and capital budgets to be monitored effectively. The Chief Finance Officer shall also monitor and control expenditure against budget allocations and report to Finance & Assets Committee on the overall position on a quarterly basis.

6.5 **Maintenance of Reserves**

The Chief Finance Officer shall advise the Finance & Assets Committee and the Council on prudent levels of reserves for the Council.

7.0 RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

7.1 The Council will develop and maintain robust, integrated systems for identifying and evaluating all significant operational risks to the Council. This will include the proactive participation of all those associated with planning and delivering services.

Risk Management

7.2 The Audit Committee is responsible for approving the Council's Risk Management Policy and for reviewing the effectiveness of risk management. The Chief Finance Officer shall ensure that the Council has proper arrangements for insurance.

7.3 The Chief Executive shall prepare the Council's Risk Management Policy and promote it throughout the organisation.

Internal Control

7.4 The Chief Finance Officer shall advise on effective systems of internal control. These arrangements shall ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They shall ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

7.5 The Chief Executive, Directors and Service Leads shall 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

7.6 The Accounts and Audit Regulations 2015 issued by the Secretary of State for the Environment require every local authority to maintain an adequate and effective internal audit. The Council has designated responsibility for this function to the Chief Finance Officer.

7.7 The Head of Internal Audit, in consultation with the Chief Finance Officer shall maintain a two year Strategic Plan from which an Annual Audit Plan will be prepared detailing the areas of audit coverage for the following year.

7.8 The Council is responsible for appointing its external auditors. The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.

7.9 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Preventing Fraud and Corruption

7.10 The Chief Finance Officer, in consultation with Head of Internal Audit, shall develop and maintain an anti-fraud and anti-corruption strategy.

Assets

7.11 The Chief Executive or Directors or Service Lead shall ensure that records and assets are properly maintained and securely held. They shall also ensure that contingency plans are in place for the security of assets and continuity of service in the event of disaster or system failure.

Treasury Management

7.12 The Council shall adopt the key recommendations contained in CIPFA's Treasury Management in Public Services: Code of Practice 2001.

7.13 To ensure effective treasury management the Council shall maintain:

(i) a Treasury Management Policy Statement, stating the policies and objectives of its treasury management activities

(ii) treasury management practices, setting out the manner in which the Council will seek to achieve the policies and objectives and how it will control activities

7.14 Full Council shall receive reports on the Council's Treasury Management and Annual Investment Strategy policies, practices and activities including, as a minimum, an annual strategy plan, in advance of the year, a mid-year position statement and an annual report after its close in the form prescribed in the Treasury Management Practices.

7.15 The Chief Finance Officer shall have delegated responsibility for the execution and administration of treasury management decisions in accordance with the Policy Statement, Treasury Management Practices and CIPFA's Standard of Professional Practice on Treasury Management.

8.0 SYSTEMS AND PROCEDURES

Introduction

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

General

8.2 The Chief Finance Officer is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. No changes may be made by the Chief Executive or Directors or Service Leads to existing financial systems or new systems established without the approval of the Chief Finance Officer. The Chief Executive or Directors or Service Lead are responsible for the proper operation of financial processes within their areas of responsibility.

8.3 The Chief Executive or Directors or Service Leads shall ensure that their staff receive relevant financial training as may be approved from time to time by the Chief Finance Officer.

Income and Expenditure

8.4 The Chief Executive or Directors or Service Lead shall ensure that a proper scheme of delegation has been established within their areas of responsibility and that it is operating effectively. The internal schemes of delegation shall identify members of staff authorised to act on behalf of the Chief Executive or Directors or Service Leads, or on behalf of the Council, in respect of payments, income collection and placing orders, together with the limits of their authority. The Resources & Finance Committee 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

8.5 The Chief Executive or Directors or Service Leads shall approve all payments relating to salaries, wages, travelling expenses etc. of their staff in accordance with the approved list of authorised signatories.

8.6 The Chief Finance Officer is responsible for all payments of salaries, wages, travelling expenses etc. to staff, and payments of allowances to members, this via the outsourced contract with Midlands HR.

Taxation

8.7 The Chief Finance Officer shall advise the Chief Executive or Directors or Service Lead in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues which may affect the Council.

8.8 The Chief Finance Officer shall maintain the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts

8.9 The Chief Finance Officer shall give advice on the operation of existing trading accounts. No changes may be made to existing trading accounts without the approval of the Chief Finance Officer.

8.10 No new trading accounts may be established by the Chief Executive or Directors or Service Lead without the approval of the Chief Finance Officer.

9.0 EXTERNAL ARRANGEMENTS

Partnerships

9.1 The Chief Executive or Directors or Service Lead shall not enter into any partnerships or joint ventures without first consulting the Chief Finance Officer.

9.2 The Chief Finance Officer shall ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. The Chief Finance

Officer shall also consider the overall corporate arrangements and legal issues when arranging contracts with external bodies, and shall ensure that the risks have been fully appraised before agreements are entered into with external bodies.

9.3 The Chief Executive or Directors or Service Leads shall ensure that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External Funding

9.4 The Chief Finance Officer shall ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.

10.0 FINANCIAL PROCEDURE RULES

10.1 Financial Procedures Rules set out in detail the requirements of the Council's financial processes and are intended to support these Financial Regulations.

10.2 The Financial Procedure Rules are working documents and therefore they will develop/change as good practice determines. The Chief Finance Officer shall periodically issue an updated copy of the procedures.

10.3 The Chief Executive or Directors or Service Lead are required to ensure that all staff adhere to the Financial Regulations and finance procedure rules, and are responsible for ensuring that staff are adequately trained in their application. A current version shall also be placed on the Council's intranet site.

10.4 The Financial Procedure Rules cover guidance in the following areas:

General guidance
Statutory requirements

FINANCIAL MANAGEMENT

FINANCIAL SYSTEMS

Accounting Systems
All Financial Systems

REVENUE BUDGETS

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Incurring Expenditure and Virements
Controlling Expenditure and Income
Reserves
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Payments for Works, Supplies and Services
Salaries and other payments to employees and Members
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Credit Income
Cash and cheques
Recovery of Debt
Write-off of Debts
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Bank Reconciliations
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Buildings, Land and Other Assets

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1. INTRODUCTION AND STATUTORY REQUIREMENTS

General guidance

1.1 Financial Procedure Rules (FPRs) exist to regulate the way in which the Council manages its financial affairs. This is a necessary discipline in any organisation and particularly in the public sector where there are expectations for the proper use and management of public money and where there is legislation which determines the purposes for which the Council can incur expenditure.

1.2 Under Section 151 of the 1972 Local Government Act, the Council has a specific statutory responsibility, through the Chief Finance Officer (CFO), for the "…..proper administration of its financial affairs". At East Cambs, the Finance Manager is the designated CFO, or Chief Finance Officer.

1.3 Essentially these rules set out the framework of responsibilities and requirements across the whole range of the Council's financial affairs and in doing so their content inevitably covers a range of Council employees.

1.4 All employees, at whatever level in the Council, should be aware of these FPRs, and Directors and Service Leads in particular should have a good knowledge of the detail.

1.5 The rules cover a number of areas and these are listed in the contents. In the event that circumstances are not covered in these rules, the Chief Finance Officer and Monitoring Officer will advise as to the appropriate course of action.

1.6 These Financial Procedure Rules must be adhered to at all times. All Directors are accountable to the Chief Finance Officer for compliance with these Rules. The Chief Finance Officer is, in turn, accountable to the Council. All Officers with delegated responsibility for undertaking financial duties are accountable to their Director for compliance with these Rules.

1.7 Should a material unauthorised breach of these Rules come to light then it must be reported immediately to the Chief Finance Officer.

1.8 These Rules assign responsibilities to Directors and to the Chief Finance Officer, and generally do not assign responsibilities to individual nominated post holders (except, occasionally, where it is helpful to do so). The Chief Finance Officer and Directors may delegate responsibilities assigned to them under these Rules. In particular, the Chief Finance Officer may delegate responsibilities to other Finance staff.

Statutory requirements

Section 114 Local Government Finance Act 1988

1.9 Section 114 of the Local Government Finance Act 1988 imposes certain duties on the Chief Finance Officer. The Chief Finance Officer shall make a report under this Section if the Council, Members or officers or a Joint Committee on which the Council is represented:

a) has made or is about to make a decision which involves or which would involve the Council incurring expenditure which is unlawful;

b) has taken or is about to take a course of action which, if pursued to its conclusion,

would be unlawful and likely to cause a loss or deficiency on the part of the Council; or

c) is about to enter an item of account, the entry of which is unlawful.

1.10 The Chief Finance Officer shall make a report under this Section if it appears that the expenditure the Council incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

1.11 In making a report under this Section, the Chief Finance Officer shall consult, as far as is practicable, with the Head of Paid Service and the Monitoring Officer.

1.11.1 Where the Chief Finance Officer makes a report under Section 114 it shall be sent to:

a) the external auditor;

b) each member of the Council.

1.12 The Council shall consider the report within 21 days of issue and is prohibited from taking the course of action which is the subject of the report prior to that meeting taking place. The external auditor shall be informed of the date of the meeting and of any decisions made at the meeting.

Section 27 Accounts and Audit Regulations 2011

1.13 The Council's Committee with responsibility for Audit shall receive and consider the external auditor's annual audit letter on the completion of the Council's accounts. It shall be the responsibility of this Committee to ensure that any audit recommendations in the report are followed up and that the annual audit letter is published.

2. FINANCIAL MANAGEMENT

2.1 The Council is responsible for setting the overall financial framework and approving the Financial Procedure Rules which govern how the Council operates and appointing an appropriately qualified Chief Finance Officer to oversee the Council's financial administration.

2.2 The Council has nominated a Committee to be responsible for overseeing matters relating to the Council's financial (capital and revenue) resources. The Committee's duties include recommending to Council policies on the overall control, monitoring, planning and allocation of its financial resources.

2.3 The Finance Manager as the Council's financial adviser shall:

a) report to Committee and Council on resource availability, generation and allocation, financial policies and keep Committee informed with respect to the Council's finances and financial performance;

b) advise Committee and Council on maintaining adequate levels of reserves;

c) advise Committee on the financial implications of proposals submitted to them;

d) approve all accounting procedures, records and systems of the Council and its officers; and

e) report the facts immediately to Committee where it appears likely during the year that a material variation in a service's expenditure or income is likely to occur.

2.4 Directors are responsible for:

a) the financial administration of their Services, in compliance with these Financial Procedure Rules and ensuring that records and systems are properly maintained;

b) the monitoring and control of expenditure and income against their capital and revenue budgets;

c) taking necessary action to avoid exceeding their budget allocation and promptly notifying the Finance Manager of any significant forecast variations.

2.5 Directors shall:

a) provide all information required by the Finance Manager and allow the Finance Manager access to all information, records and documents that he requires, before submitting them for approval to Members;

b) allow the Finance Manager adequate opportunity to provide written comments for inclusion in any report which has financial implications;

c) inform the Finance Manager when officers intend to meet representatives of Government Departments or outside bodies on matters which may involve current or future financial or economic proposals and be given the opportunity of being represented or advised of the outcome of the proposals as the Finance Manager considers necessary;

d) consult the Finance Manager on any matter which is likely to affect the finances or financial systems of the Council before any commitment is incurred or before a report is submitted to Council or to a policy committee;

e) inform the Finance Manager of service developments or amendments to existing services which involve additional expenditure or loss of income and prepare a report for the relevant Committee for approval if applicable. This report to include a statement of the financial implications prepared in conjunction with and approved by the Finance Manager;

f) be responsible for accountability and the efficient use of all resources within their Services.

2.6 Budget Holders shall be responsible for:

a) monitoring and control of expenditure and income against their capital and revenue budgets and complying with corporate monitoring and reporting timetables;

b) taking necessary action to avoid exceeding their budget allocation;

c) authorising/certifying financial transactions relevant to their level of responsibility;

d) promptly notifying the relevant Director and the Finance Manager of any significant forecast variations.

3. FINANCIAL SYSTEMS

Accounting Systems

3.1 The Finance Manager is responsible for the provision of a corporate financial system, where the Council's accounts are maintained, including the details of the Council's budget, and the monitoring of expenditure and income against this. The Council's current Financial System is Agresso.

3.2 Directors and Service Leads are responsible for ensuring Agresso accurately records the financial transactions of their functions, and for complying with any guidance issued by the Finance Manager.

3.3 Directors and Service Leads shall ensure that transactions are recorded in a manner which complies with proper accounting practices, enables returns to be made to taxation authorities, and complies with other legal requirements. The Finance Manager shall give whatever guidance is necessary to ensure that this obligation can be fulfilled.

3.4 All officers shall use Agresso as the prime means of monitoring expenditure and income in their services and for comparing spending against budget. Officers may keep such subsidiary information and records as they feel necessary to effectively monitor expenditure, income and commitments, and to support returns made to the taxation authorities, but these must be regularly reconciled to the main Agresso system.

3.5 The following principles shall be observed in the allocation of accounting duties:

a) the duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums, shall be separated as completely as possible from the duty of collecting or disbursing them;

b) officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

c) the Finance Manager shall make such recommendations to the relevant Committee regarding the accounting system and financial operation of any Directorate as deemed necessary.

All Financial Systems

3.6 Officers may not make changes to financial systems without the agreement of the Finance Manager.

3.7 Proposals for changes in staffing and organisational arrangements relating to the operation of financial systems (e.g. introduction of a new payment mechanism for supplies) shall also be agreed with the Finance Manager prior to implementation. The Finance Manager may waive these requirements for consultation in circumstances where he or she is satisfied that change will not prejudice the proper administration of the Council's financial affairs.

3.8 Each Director shall be responsible for the effective operation of financial systems to the extent that they are operated or controlled within their services and shall ensure proper security and confidentiality including adherence to the requirements of Data Protection and other information legislation.

3.9 Each Director shall monitor the effectiveness of financial systems in his or her services and shall in particular ensure that financial systems discharge the Finance Manager's duty to ensure that there is proper administration of the Council's financial affairs. Where Directors believe that systems are ineffective, they shall report the matter to the Finance Manager who will report the findings to the relevant Committee (that which acts as the Council's Audit Committee) at the earliest opportunity.

4. REVENUE BUDGETS

Setting a Budget

4.1 The Council shall set the Council Tax level and approve a budget each year by the end of February. The relevant Committee will recommend a budget to Council. The recommended budget from Committee to Council shall, as a minimum, contain:

a) the proposed Council Tax requirement;
b) the proposed use of reserves and appropriate level for the General Fund reserve;
c) the proposed band D Council Tax;
d) spending plans for directorates;
e) a view of the medium term financial position;
f) an analysis of financial risks that might impact on the budget; and
g) the results of consultation.

For the purposes of these rules, the budget includes spending plans for each Directorate, corporate financing costs and the resources available by means of General Fund and earmarked reserves.

4.2 Budget proposals shall be submitted to Members, accompanied by a report from the Finance Manager. This report shall:

a) identify proposed developments and any savings;

b) report to the relevant Committee on resource availability, generation and allocation, financial policies and keep the Committee informed with respect to the Council's finances and financial performance;

c) advise the relevant Committee and Council on maintaining adequate levels of reserves.

4.3 The Finance Manager shall present, for consideration not later than 31st January in each year, to the relevant Committee a draft budget for the following financial year. The Chief Finance Officer shall then further reflect the views of Committee when presenting the final budget report for approval by the Council not later than 28th February in each year.

4.4 The Chief Finance Officer shall ensure that a detailed budget is correctly recorded on Agresso, as soon as practicable after the budget is approved by the Council.

Incurring Expenditure and Virements

4.5 Officers are responsible for working within their service budget set by Council. Directors are authorised to incur expenditure on services for which there is approved budget provision i.e. there is capacity within their functional budget ceiling. Financial and Contract Procedure Rules must be complied with when expenditure is incurred.

4.6 Directors are authorised to vire sums of money within functional budgets without limit, providing such virement does not give rise to a change of Council policy. This means for example that a stationery budget may be converted to a travel budget within the same function.

4.7 Directors are authorised to vire money between any two functional budgets within their directorate budgets to a maximum limit of £25,000, provided such virement does not give rise to a change of Council policy or the overall Directorate budget is not overspent as a whole.

4.8 The Chief Executive and Chief Finance officer are authorised, at the request of Directors, to vire up to £50,000 between any two functional budgets (e.g. leisure services to housing services) within a directorate or across directorates provided that the virement does not give rise to a change in Council policy and the overall Directorate budget (or both if it is a transfer) is not overspent as a whole. In approving such transfers, officers will have regard to the overall budget position of the Council. Virements may not be approved if the achievement of under spends in some functions is integral to meeting overspends in other areas.

4.9 Virements between functional budgets undertaken by Directors or approved by the Chief Executive / Chief Finance Officer must be reported to the relevant Committee with the next quarterly monitoring report.

4.10 Where the Council receives ring-fenced grant income, other than that identified in the approved budget, an additional budget will be created and Directors be allowed to incur expenditure in line with the conditions of the grant. The relevant Committee or Council approval is not required as the Council has no discretion how funds are used.

4.11 Where Directors wish to increase a functional budget by over £50,000 they must seek approval in advance from the relevant Committee for the virement to cover any increase. The request must include:

a) the reason for the request
b) the amount requested
c) the implications of the request being refused
d) the particular source of funding being requested if applicable
e) a description of attempts made to identify savings to offset the request for extra funds

4.12 The relevant Committee can approve virements in any functional budget of up to £150,000 in any one year. Changes above £150,000 must be approved by Council on a recommendation from the relevant Committee. In approving requests, Committee or Council may agree the use of earmarked reserves or make virements between directorates.

4.13 The relevant Committee or Council will decide whether functional budgets can be increased. Requests may be:

a) agreed unconditionally
b) agreed with conditions – for example that the overall Directorate must remain underspent or savings must be found elsewhere;
c) refused – outright or subject to further work

4.14 At the end of any quarter or earlier if appropriate, Officers may identify (given the Council's statutory requirements to deliver certain services and to respond at short notice to demand increases) that their Directorate budget is forecast to be overspent OR a particular functional budget is forecast to be overspent by £50,000. In either case, the budget monitoring report to the relevant Committee and the relevant policy committee where relevant (or Council if the overspend is in excess of £500,000) must include full details including:

a) the reason for the overspend in each function where budgets are £50k over OR the reason for the Directorate overspend where no functional budget is £50,000 overspent
b) steps being taken to address the overspend and restore the Directorate expenditure plans to be within budget
c) the particular source of additional funding being requested if applicable
d) a description of attempts made to identify savings to offset the request for extra funds

4.15 Where Officers have reported on issues in one quarter, e.g. a Directorate or functional budget is overspent, then an update should be provided in subsequent quarters.

4.16 Officers are responsible, in consultation with their Director and if necessary the Chief Executive, for determining whether a proposed virement would give rise to a change of Council policy. If this is deemed to be the case then the Monitoring Officer will advise as to whether the relevant Committee or Council approval is required.

4.17 Movement of money between functional budget ceilings is not virement to the extent that it reflects changes in management responsibility for the delivery of services. E.g. transfer of services from one directorate to another.

4.18 The Chief Finance Officer may also vire money between functional budget ceilings where such movements represent changes in accounting policy, or other changes which do not affect the amounts available for service provision.

4.19 Where budgeted expenditure is to be met by grant income, Officers are responsible for complying with the conditions of grant. This includes making arrangements for the appropriate retention of documents, including clear working papers, for audit purposes.

Controlling Expenditure and Income

4.20 Each Director is responsible for:

a) managing the cost of each of the services within their Directorate budget within its cash limit;
b) ensuring, as far as possible, that their Directorate budget is not overspent in total;
c) taking action to control expenditure.

4.21 Each Director is responsible for ensuring that there is a nominated budget manager responsible for controlling each cost centre budget and each functional budget within their departmental budget.

4.22 When nominating budget managers, Directors shall align budgetary accountability with managerial responsibility for use of resources as closely as possible.

4.23 Budget managers are responsible for ensuring that the budget for which they are responsible is not overspent (or under-recovered) and are accountable to their Director (through normal line management arrangements) in this regard.

Reserves

4.24 The Council's budget management framework allows for the creation of earmarked reserves to meet specific purposes.

4.25 Earmarked reserves may be created or dissolved by Council. In creating a reserve, the purpose of the reserve must be clear and a maximum limit for the reserve must be set.

4.26 The Chief Finance Officer is authorised to approve transfers from earmarked reserves without limits on the basis that use of the reserve is consistent with its original purpose.

4.27 The Chief Finance Officer can determine whether any additions/reductions should be made to earmarked reserves as long as the maximum limit in any one reserve is not exceeded.

4.28 The Council shall have a budget carry forward reserve, known as the Surplus Savings Reserve, where any under spent resources shall be transferred to be carried forward to assist in the funding of services in future years. Details of this reserve (both the balance and planned use) will be provided to the relevant Committee and Full Council when approving the budget each year.

Monitoring Expenditure

4.29 Each Officer shall report progress on the implementation of his/her budget to the Chief Finance Officer, in such manner and to such timescales specified for the purposes of financial monitoring.

4.30 The Chief Finance Officer shall report quarterly on progress of the achievement of the budget to policy committees and the relevant Committee.

4.31 The relevant Committee will review the Council's financial performance at quarterly intervals, or more frequently if required, and will give clear direction on actions to be taken in relation to any forecast variations from the approved budget. The relevant Committee and policy committees shall hold Directors to account for their management and use of resources and may seek explanatory information from Directors as required.

Reporting the Outturn

4.32 The Chief Finance Officer shall report the revenue outturn to the relevant Committee by the end of June following the end of the financial year.

4.33 Each Director shall supply such information and explanations to the Chief Finance Officer as is requested for the purpose of this report.

4.34 The relevant Committee shall hold Directors to account for their management and use of resources during the course of the year and may seek further information from directors as it sees fit.

5. CAPITAL BUDGET

Setting a budget

5.1 The Chief Finance Officer is responsible for recommending a capital programme to the relevant Committee each year.

5.2 Each scheme within the capital programme shall be appraised by the Chief Finance Officer and approval sought from the relevant Committee as part of the overall capital programme or through separate reports submitted in year.

5.3 Details of each scheme within the approved capital programme shall be appraised by Directors or any other group set up for this purpose prior to being submitted to the relevant Committee for approval before any expenditure is incurred. The appraisal and report to Committee shall include:

a) the purpose and objective of the project;

b) alternative methods of achieving the outcome, if possible;

c) whether approval is sought for design, and/or land acquisition or construction;

d) the estimated capital cost (including fees) at outturn prices and projected phasing of expenditure;

e) scheme specific project officers;

f) initial and on-going revenue implications;

g) key dates;

h) external finance e.g. capital grant, developer's contribution, borrowing; and

i) potential for the generation of capital resources through receipts etc.

5.4 The capital programme may consist of:

a) appraised schemes for which specific sums of money are provided based on cost estimates;

b) provisional funding for schemes yet to be developed or approved by the relevant Committee; or

c) a combination of the two.

5.5 The relevant Committee shall recommend a capital programme to Council prior to the beginning of each year. The programme will cover the budget year and three subsequent years. The Council shall approve the capital programme.

5.6 When submitting a capital programme to Committee, the Chief Finance Officer (or Directors as the case may be) shall identify the following:

a) details of approved projects and their basis of funding;

b) details of funding available for unapproved projects;

c) the revenue consequences of any borrowing;

d) the revenue consequences of any schemes apart from the cost of borrowing;

e) the extent to which borrowing is affordable, sustainable and prudent with reference to such indicators as the Chief Finance Officer believes appropriate;

f) the extent of any pre-commitment of capital resources in years beyond the plan;

Additions and Amendments to Capital Programme

5.7 Any proposal to amend the capital programme by including a new project, increasing the project budget or deleting an approved project shall require the formal approval of the relevant Committee.

Incurring expenditure

5.8 The approved capital programme shall specify the authority given to Officers to commit expenditure.

5.9 No expenditure may be incurred on a scheme funded by grant or third party contributions without confirmation of these resources.

Controlling expenditure

5.10 Once officers have been authorised to incur expenditure, they are responsible for ensuring that each scheme is completed on time, in accordance with its objectives and within the approved capital programme provision.

5.11 Where the original estimate appears, at any stage of the project, likely to be exceeded by 5% where the project cost is greater than £500,000, or by 10% in other cases (but subject to a de minimis level of £30,000), or where any avoidable variations or discretionary charges are to be incurred, the Chief Finance Officer shall report the facts immediately to the relevant Committee.

Capital Monitoring

5.12 Officers are responsible for ensuring that there are proper arrangements within their service areas for monitoring physical and financial progress of capital schemes.

5.13 The Chief Finance Officer shall report quarterly progress on the capital programme and the outturn position to the relevant Committee. Officers shall supply such information as may be required for the preparation of this report.

5.14 Upon completion of all major capital schemes, the Chief Finance Officer shall report to the relevant Committee on the outcome of the scheme in the quarterly financial monitoring reports unless Committee request a specific report. Such a report could include:

a) whether the purpose and objective of the project were achieved;

b) whether the scheme was completed in accordance with the original timetable;

c) the final capital cost (including fees) compared to the original estimate;

d) the funding of the project compared to the original estimate;

e) the on-going revenue implications.

Carry forward of resources

5.15 Any resources unspent at the end of the financial year on approved capital schemes will be carried forward to future years unless the relevant Committee determines otherwise, after consideration of the outturn position.

Capital receipts

5.16 The Chief Finance Officer shall report the capital receipts received and forecast in the year to the relevant Committee as part of the quarterly monitoring reports and the yearend report.

5.17 The Chief Finance Officer is responsible for the allocation of these resources, to ensure that the Council's capital programme is funded in the best interests of the Council.

6. GRANTS AND OTHER EXTERNAL FUNDING

6.1 The Council may be asked to bid for external funding or be informed that funding is being made available to it subject to conditions. This section governs the approval process in each case recognising the expediency with which decisions have to be made.

6.2 Any expression of interest for funding (which does not commit the Council to formally bid for funding) can be made by any Director in consultation with the relevant Committee Chair.

6.3 Any applications for grant funding or other external funding above £50,000 must be approved by the Chief Finance Officer and then the relevant Committee unless the timetable for bidding will not allow. In these cases the Chair of the relevant Committee and Chief Finance Officer must approve any bids. The report to Committee shall set out:

a) the purpose and objective of the project;

b) how the project fits in with the Council's objectives;

c) details of funding / grant being sought;

d) any financial contribution required from the Council either in terms of match funding or other costs;

e) any ongoing revenue or capital implications;

f) any known conditions of funding;

g) key dates and milestones.

6.4 All applications for grant income / external funding below £50,000 must be signed by a Director / Officer and the Chief Finance Officer.

6.5 The certification of expenditure in support of a grant claim may only be authorised by the Chief Finance Officer or his/her nominee. Officers should maintain adequate records to demonstrate use of the grant/funding and to be able to demonstrate adherence to any grant conditions.

6.6 If the Council receives grant funding from Government or other sources, then acceptance of the terms of conditions is the responsibility of respective policy committee unless, in the cases of emergency/short notice, the Council would be at risk of losing funding. In these cases, the Committee chair, Director and Chief Finance Officer may agree to the acceptance of terms and conditions but must report back to Committee at the next available opportunity.

7. ACCOUNTS

7.1 The Chief Finance Officer shall be responsible for the accounts of the Council and all accounting records and systems shall be subject to his or her approval and control. All changes to financial and accounting systems must be approved by the Chief Finance Officer.

7.2 Accounting procedures will reflect recommended professional practices and follow accounting principles as determined by the Chief Finance Officer. Accounting procedures shall be reviewed as necessary by the Chief Finance Officer in consultation with the relevant Director to ensure they provide the information required by both without duplication of records.

7.3 The Chief Finance Officer shall annually prepare and publish in an appropriate format, in accordance with CIPFA guidance and relevant legislation, a draft Statement of Accounts (SoA) by 31st May following the end of the financial year and make these available to the public.

7.4 The relevant Committee shall approve the SoA by 31st July each year.

7.5 Financial records shall not be disposed of other than in accordance with arrangements approved by the Chief Finance Officer.

7.6 Directors shall provide all relevant information deemed necessary to compile the Council's final accounts in accordance with guidance issued by the Chief Finance Officer.

8. FINANCIAL ADMINISTRATION – EXPENDITURE AND INCOME

In the following section, references are made to the use of Agresso. Where Agresso is not used, alternative arrangements must be approved by the Chief Finance Officer.

Authorised Officers

8.1 Directors shall authorise appropriate officers to undertake the following duties;

a) raise purchase requisitions, on Agresso unless approved otherwise by the Chief Finance Officer, for works, supplies or services to the extent that contractual arrangements already exist, as described below;

b) approve purchase requisitions, on Agresso unless approved otherwise by the Chief Finance Officer, or other orders, both those for work procured by approved procuring officers, where the person authorising will need to ensure that the order complies with Contract Procedure Rules, and those that relate to existing contractual arrangements;

c) approve personnel variations, time sheets, officer expense claims, petty cash, imprest accounts, change floats, cash advance forms, debtors accounts, internal recharges and end of year stock certificates; and

d) certification for cheques, BACs authorisation, CHAPs authorisation and grant claims.

8.2 Only officers authorised to procure under arrangements contained within Contract Procedure Rules are entitled to test the market or purchase from select lists. No other officer is entitled to obtain quotations or run a tendering exercise.

8.3 Directors shall ensure that approved officers have appropriate seniority and expertise to ensure that they are able to discharge the functions assigned to them for the purposes of these rules. Authorised officers are accountable to their Directors for the exercise of these functions. Authorised limits for different officers are set out below. The authorisation levels apply only to cost centres for which Authorised Officers have been given access.

Amount	**Authorised officer**
< £10,000	Budget Manager
£10,000.01p - £50,000	Service Lead
£50,000.01p - unlimited	Director and the Section 151 Officer

8.4 Finance will hold a regularly up-dated list of officers and their signatures, to aid the identification of them when processing payment vouchers or petty cash.

8.5 Directors shall ensure that arrangements are made for effective separation of duties when designating approved officers as enforced through Agresso, in order to provide adequate internal check over all transactions, and comply with any guidance given by the Chief Finance Officer.

8.6 Directors shall ensure that the arrangements for approved officers are consistent with the budgetary control framework for their area and that in particular budget managers' ability to manage their budgets is safeguarded.

8.7 Directors shall ensure in conjunction with the Chief Finance Officer that the list of authorised officers and approval levels on Agresso remains accurate.

8.8 References to **Authorised Officers** in the rest of this section of Financial Procedure Rules shall be read in the context of the above.

Orders for Works, Supplies and Services

8.9 The Chief Finance Officer is responsible for providing a corporate system for raising purchase requisitions and creating official orders (Agresso).

8.10 This system shall be used for all official orders, except in emergencies, or in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

8.11 Official orders shall be issued for all purchases, excluding the following items:

a) purchases through petty cash and imprest accounts;

b) recurring charges such as gas, electricity and telephone charges and other charges for which a payments register or other method of recording/monitoring payments is more appropriate than an order.

8.12 Purchase requisitions shall only be raised and approved by authorised officers. This approval process shall be used to create an official order. Budget provision must exist for all requisitions and orders.

8.13 In order to ensure segregation of duties, wherever practicable, requisitions should be raised by an officer and then approved by their line manager (either their Service Lead or Director). In exceptional circumstances it may be necessary for a Service Lead to both raise a requisition and then to approve this, but this should be kept to an absolute minimum.

8.14 In those exceptional circumstances in which the corporate system is not used, Directors shall only obtain official order forms in accordance with arrangements approved by the Chief Finance Officer and shall be responsible for their control and use.

8.15 Where urgent orders are given orally, they shall be confirmed immediately by an official order.

8.16 Official orders should be specific, e.g. they should state quantity, weight, size, grade, quality, and where practicable, price. Where supplies are ordered under contract, it is particularly important that the order and contract have the same specification of supplies required.

8.17 Orders shall be raised with approved suppliers only. Officers shall notify the Finance Team of new suppliers using a form specified by the Chief Finance Officer. The Finance Team will maintain supplier accounts including processing changes of supplier details on receipt of authorised information received from suppliers. The Finance Team will undertake checks on supplier information as specified by the Chief Finance Officer.

Payments for Works, Supplies and Services

8.18 Payment for works, supplies and services may only be made:

a) on receipt of an invoice or contract certificate which satisfies VAT regulations;

b) where liability for payment by the Council is clearly established; and

c) to approved suppliers.

8.19 No payment for works, supplies or services shall be made unless the works, supplies or services have been certified as received by an authorised officer. This certification will be done using Agresso.

8.20 The Chief Finance Officer is responsible for providing a corporate system for the payment of accounts (Agresso). Officers shall use this system for all payments except in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that the alternative arrangements provide for effective financial control, and shall have regard to the continuing viability of the corporate arrangements.

8.21 Authorised officers shall ensure that payments for works, supplies or services are not made unless:

a) works, supplies or services have been supplied in accordance with an official order, and the amount invoiced is correctly payable. The official order number should be quoted on the invoice.

b) payment is in respect of a service regularly supplied (e.g. gas, electricity and rates), and the amount invoiced is properly payable; or

c) payment is made for works, supplies or services under contract, and the amount is properly payable under the terms of that contract.

BACS Payments

8.21 The Chief Finance Officer through his Finance Team is responsible for matching invoices received to correctly authorised and goods receipted orders.

8.22 The Finance Team can also, in exceptional circumstances, input invoice details direct onto the Agresso system, but these must be approved by the appropriate budget manager / Service Lead before they are progressed to payment.

8.23 The Finance Team will prepare a weekly BACS run, paying all correctly processed invoices received during the previous week. While noting the limitations in the size of the Finance Team, every effort will be made to ensure that there is segregation of duties within the Team in the approval of this cumulative BACS payment.

Salaries and other payments to employees and Members

8.24 The Chief Finance Officer is responsible for approving a corporate payroll system for recording payroll data and for generating payments to employees. The Chief Finance Officer is also responsible for ensuring that National Insurance, Income Tax and any other such liabilities are properly determined and that deductions due are made and properly accounted for.

8.25 Directors shall use the corporate payroll system for all payments to employees.

8.26 Where payments are made for services in which the relevant taxation authorities deem that a contractor is “employed” by the Council, Officers are responsible for ensuring that National Insurance, Income Tax and any other such liabilities are properly determined and deductions due are made and properly accounted for.

8.27 Except where employees are responsible for providing data directly themselves, Directors are responsible for ensuring that all information affecting an employee’s entitlement to pay, or rate of pay, and all other information required for the smooth operation of the corporate payroll, shall be notified to Human Resources (HR) and/or Payroll.

8.28 This shall be done by means of direct input to the corporate payroll system or by means of a form, in either case following procedures approved by the Chief Finance Officer. In either case, Directors shall make arrangements for data supplied to be verified and authorised by an authorised officer. In particular the following shall be notified:

a) appointments, resignations, dismissals, suspensions, secondments and transfers;

b) changes to standing data held on the payroll system;

c) absences from duty for sickness or other reason, apart from approved leave;

d) changes in remuneration, other than normal increments, pay awards and any agreements generally reached, and notified separately to the Chief Finance Officer; and

e) information necessary to maintain records of service for superannuation, Income Tax, National Insurance and related purposes.

8.29 All time-records or other paper documents affecting entitlement to salaries and wages on any specific occasion shall be in a form approved by the Chief Finance Officer and shall be processed in accordance with procedures specified by the Chief Finance Officer.

8.30 These documents shall be signed by the employee and certified as correct by an authorised officer.

8.31 All claims for payment of travelling and subsistence allowances, removal expenses and the like shall be submitted directly onto i-trent for payment and be certified as correct by the employee's line manager / authorised officer.

8.32 All claims for the payment of Councillors' allowances and expenses shall be submitted directly onto i-trent or in a form specified by the Chief Finance Officer which complies with statutory requirements, and certified as correct by an authorised officer within Member Services.

8.33 Where expenses include a VAT element or for mileage claims, a valid (time relevant) VAT invoice must be attached to the claim on the i-trent system. This should be actioned by the officer / Member submitting the claim and reviewed by the line manager when authorising. Failure to attach such a receipt will prevent the Council recovering this money.

8.34 Any other benefits provided to employees, in particular benefits in kind rather than in cash, but also including such things as payments received by staff for elections, may/will also be taxable and/or liable to National Insurance contributions, and may also be subject to a deduction from pay. The responsibility for identifying any liabilities in this respect is with each Director who should seek advice from the Chief Finance Officer where appropriate.

8.35 Whilst it is the Council's responsibility to ensure that salaries are correctly paid and that any deductions are appropriate, staff members have a responsibility to check that the salary they receive is correct and to report back any errors or queries. If it is identified that any under or over payments have been made, the Council will seek to make good any under payments or recover overpayments irrespective of whether these have been authorised. In the event that overpayments have been made, staff members may be subject to disciplinary action if it is identified that overpayments should have been identified.

Income

8.36 The Chief Finance Officer is responsible for the general control, supervision and collection of all money due to the Council and shall maintain adequate arrangements for the proper recording and accounting of all sums due to the Council. In this section income means all cash, cheques, or other forms of payment including credit/debit cards.

8.37 The method of collection and form of records relating to income maintained by each Directorate shall be agreed in advance with the Chief Finance Officer.

8.38 The Council aims to ensure that all monies due to the Council are recovered economically, efficiently and effectively. Wherever possible, officers should try to obtain payment in advance or at the time that goods or service are received by the customer as this helps to minimise the uncertainty of payment and the need for officer time to be spent recovering overdue payments.

8.39 Where it is not possible for payments to be made in advance of the goods or services being provided, invoices will be raised. **Sundry debtor invoices should only be raised where payment in advance for a service is inappropriate**. When a service is provided, goods delivered or other debts to the Council identified, an invoice will be produced via the Council's financial management system.

8.40 The Council then has a duty to actively pursue the recovery of debt that has not been paid. The effective management and collection of such debts is essential and to assist in this the Council requires an effective policy to support the maximisation of debt collection in an efficient, consistent and sensitive manner. The following paragraphs set out the general principles.

8.41 The Council will not raise invoices for values of less than £10. In these cases the Council will require payment in advance except in the case of peppercorn rents, legal charges for access rights or where there is an obligation to make a token payment.

8.42 Scales of charges for services, except where fixed by statute, must be reviewed annually, or more frequently if required, by the relevant Director and agreed with the Chief Finance Officer before being submitted to the relevant Committee and Council for approval as part of the annual budget. Directors must ensure that the review of fees charges is undertaken with regard to any legislation and that the basis of any charge, e.g. cost recovery, is set out in any report.

Credit Income

8.43 The Chief Finance Officer is responsible for approving a corporate invoicing system (Agresso). Directors shall use this system for all credit income except in accordance with other arrangements specifically approved by the Chief Finance Officer. In giving such approval, the Chief Finance Officer shall ensure that the alternative arrangements provide for effective financial control, meet with the requirements of the appropriate taxation authorities.

8.44 The Council will treat all debtors in a consistent manner which is fair, sympathetic, firm and cost-effective whilst ensuring that it distinguishes between those who cannot pay and those who will not pay. At all times the action taken to recover debts will take account of, and comply with, other relevant Council policies.

8.45 This section excludes the following types of debt which are subject to their own arrangements:-

- Council Tax
- Business Rates
- Overpayment of Council Tax Reduction/Discount
- Housing Benefit overpayment recovery
- Homelessness Rent Deposit Scheme

- Care and repair

8.46 The Council will ensure that it issues accurate and timely invoices, has in place recovery procedures that are efficient and cost effective and that irrecoverable debts are written off in accordance with financial procedure rules.

8.47 The Chief Finance Officer is responsible for collecting all income invoiced via the corporate finance system.

8.48 Where an invoice is for the provision of a “one-off” service, departments will raise an Invoice Request form. The Finance Department will issue an invoice within 5 working days of receiving the request.

8.49 Where an invoice needs to be raised on a regular basis and requires no changes to the narrative or amount, these will be set up as a periodic income record. When the invoice is due it will be automatically issued when the periodic process is run.

8.50 It is the Council’s intention to send out customer invoices by the most cost-effective means, using e-mail wherever possible, unless contrary to regulation or other statutory or legal requirements.

8.51 If customers disagree with the invoice or have difficulty in making payment on time then they should contact the originating council department. Full contact details are included on all invoices.

8.52 Where an invoice has been raised in error, a credit note will be raised so that the cost is charged back to the service. Credit notes will only be used when an invoice is raised either incorrectly or the service is cancelled and must not be used to write off a sundry debt as there are other procedures in place where write off is necessary. Request for credit notes must be authorised by the appropriate Director or Service Lead.

8.53 Directors shall advise the Chief Finance Officer of any new sources of income which are exempt from VAT, and of material change to existing sources of income which are exempt from VAT.

Cash and cheques

8.54 Officers responsible for the collection of income shall ensure that money collected is recorded and banked without undue delay.

8.55 Subject to the following rules, all receipt forms, tickets and other types of controlled stationery by which income is acknowledged shall be ordered and supplied by the Chief Finance Officer; and Directors shall be responsible for the safe custody of such documents.

8.56 Receipts and other forms of controlled stationery which are specific to a particular function may be ordered and controlled by the appropriate officer, in accordance with arrangements approved by the Chief Finance Officer.

8.57 All cash received must be acknowledged at once by the issue of an official receipt or ticket. No officer or agent of the Council shall give a receipt for cash received on behalf of the Council in any form other than an official receipt. No acknowledgement need be given for payment by cheque, however, unless requested by the debtor.

8.58 All money received must be accounted for and paid into the Council's approved bank account, either directly, or via Finance on the day of the receipt, or as soon as practicable thereafter, dependent on the values involved and arrangements for the safe custody of cash (i.e. ensuring insurance value limits are not exceeded).

8.59 An officer may on no account borrow any money temporarily for their own use, nor should they, except in the case of expenses they incur whilst travelling on Council business, make payments on behalf of the Council from their own pocket.

8.60 An officer is responsible for the safe custody of any money she or he has received until it has been balanced and banked or handed over to another officer for banking. If the money is handed over to another officer, a receipt should be obtained from the officer receiving it. If the money is in a sealed container, the officer should obtain a receipt for the container.

8.61 Whilst money is in their custody, officers should, at no time, leave it unattended unless it is locked in a safe place, to which the officer alone has access, and which fulfils insurance requirements.

8.62 All officers who pay money into any of the Council's bank accounts shall list the amount of every cheque on the paying-in slip and the counterfoil or duplicate, together with some reference, such as an account number, which will connect the payment with the debt; or failing this, the name and address of the debtor.

8.63 Cash received by officers on behalf of the Council shall not be used to cash postal orders, personal or other cheques.

8.64 The Chief Finance Officer is responsible for approving all systems for the processing of payments by debit, credit and top up payment cards.

Recovery of Debt

8.65 The Council will endeavour to recover all debts owed by customers. The reminder process is run weekly and produces final notices for all unpaid invoices that are over 33 days old. These are sent to the customer.

8.66 A second reminder is produced 21 days after the first reminder, which is sent to the officer / Service Lead who raised the original invoice. Officers are then expected to make contact with the customer and provide Finance with an up-date on the position of the debt. 14 days after the second reminder, Agresso produces a memo to Legal Services for invoices that are still unpaid for further recovery action.

8.67 Recovery action through Legal Services will be commensurate with the amount of the debt and/or the particular circumstances of each case. There are a range of options open to the Council once an outstanding debts has been referred to Legal Services. Where the Council incurs additional costs as a result of non-payments, for example court costs, these will be added to the outstanding debt and recovered where allowed under statute.

8.68 Special, alternative debt recovery arrangements have been put in place for Markets, E-space and Homelessness.

- For Markets, market officers are contacted prior to the first reminder being sent on the 21st day, so that they can contact the customer prior to any formal action being taken.
- For E-space, a further 20 days is given between the second reminder and the case being put in the hands of Legal, this to allow the E-space manager to discuss the situation with the tenant.
- For Homelessness, where most debts are subject to payment plans, reminders are sent out after two weeks, if a client gets behind with payment, a second reminder is sent two weeks later, with a third letter warning that debt recovery action will be taken in seven days, a further two weeks after that. Debts are handed over to ARP debt recovery at the end of the seven days.

Write-Off of Debts

8.69 No debt properly due to the Council shall be discharged otherwise than by payment in full, credit note (in the case of error or where a service order has not been fulfilled) or write-off.

8.70 The Council will make every effort to pursue outstanding debts however it is recognised that in some circumstances debts may not be recoverable. Where it is found that a debt is irrecoverable it will be considered for write off in accordance with the limits set out below.

8.71 Subject to conditions set out below, all debts which a Director or the Chief Finance Officer has been unable to recover at reasonable effort and expense and for which normal recovery processes have been exhausted, shall be referred to Legal Services.

8.72 Debts may be written off as follows:

a) By the Chief Finance Officer, in conjunction with the Legal Services Manager, for debts up to £1,000; and

b) By the relevant Committee for debts above £1,000.

However, if either the individual amount or the total of (several) amounts for the same debtor is greater than £1,000, the relevant Committee's approval for write off is required. In these circumstances, the Committee shall be advised at the earliest available opportunity when such a debt level is reached. Debts shall not be written off at different times in order to circumvent the need for Committee approval.

8.73 In the event that there is reason to believe that the cause of any debt being irrecoverable is attributable to fraud, theft, irregularity or the negligence of an employee, the Chief Finance Officer shall refer the matter to the Head of Internal Audit (HoIA).

8.74 The debt shall not be written off until any necessary investigative or other action has been agreed by the Chief Finance Officer and the HoIA.

VAT

8.75 All officers are responsible for the correct allocation of VAT on invoices, both those being raised by the Council and those received by the Council.

8.76 VAT advice, especially in relation to its treatment on invoices being raised by the Council can be obtained from the Senior Accountancy Assistant in the Finance Team.

8.77 The Chief Finance Officer is responsible for the monitoring of VAT and the completion of statutory returns to HMRC.

Banking Arrangements

8.78 In this section, the Council's **main bank accounts** are all bank accounts maintained by the Council other than those operated solely for specific establishments or purposes.

8.79 The Chief Finance Officer is responsible for operating the Council's main bank accounts but may delegate day-to-day operation to other officers within the Finance Team.

8.80 No bank accounts other than those classed as the Council's main bank accounts and operated by the Finance Team will be held by the Council.

8.81 All cheques (except imprest account cheques) for the Council's main bank accounts shall be produced directly from Agresso in a format approved by the Chief Finance Officer, who shall make proper arrangements for the preparation and despatch of the cheques, and for the custody of blank cheques.

8.82 Imprest cheques shall be ordered and controlled by the Chief Finance Officer who shall make proper arrangements for the safe custody of blank cheques and the preparation, signing and despatch of the cheques.

8.83 All cheques drawn on the Council's main bank accounts or imprest cheques, will be signed by the Chief Finance Officer or a signatory authorised by him or her.

8.84 The Chief Finance Officer is responsible for ensuring that all payments made from the main bank accounts by way of Clearing House Automated Payments (CHAPs) and Bankers Automated Credits (BACs) transactions are properly controlled and suitably authorised.

Bank Reconciliation

8.85 The Chief Finance Officer is responsible for ensuring that monthly reconciliations are carried out on the Council's consolidated bank account. This ensures that all transactions detailed on all of the Council's bank accounts and "swept" into the Council's consolidated account are correctly recorded on the Council's ledger (Agresso).

Council Purchase Cards

8.86 The Chief Finance Officer is responsible for sanctioning the issue of Corporate Purchase Cards to staff and for reconciling expenditure incurred to the main bank account. Directors are responsible for ensuring that staff use the cards in accordance with procedures issued, including the provision of valid receipts to support the expenditure incurred. Where Corporate Purchase Cards are not used in accordance with stipulated procedures then the Chief Finance Officer may withdraw the arrangement.

Stock

8.87 Officers may hold stocks of consumable items; materials; and equipment for use in the maintenance of assets under their control and the provision of services. They are responsible for the receipt, custody and issue of stock items for their functions and for maintaining suitable records.

8.88 Officers shall ensure that stock items are effectively safeguarded from loss, theft or damage.

8.89 Officers shall arrange for regular stock-takes to be undertaken for any stock held in excess of £1,000, independently of the employees responsible for the custody of those stocks, such that the existence and value of all items are checked at least once a year.

8.90 The value of stocks held at 31st March each year shall be certified by an authorised officer and supplied to the Chief Finance Officer in such form and at such time as may be decided by the Chief Finance Officer. This for inclusion in the Statement of Accounts.

8.91 Surplus and obsolete stocks must be disposed of by officers on the best terms possible.

8.92 Where such items are not disposed of and or sold to a company under contractual terms, they may, when judged best, and, subject to independent check, be offered for sale to staff, provided that permission to proceed is first obtained from the Chief Finance Officer and that subject to that permission, the sale is advertised to as many staff as possible (e.g. using the intranet) for a reasonable length of time (i.e. no less than 4 weeks).

8.93 All devices that could contain data (e.g. PCs, laptops, mobile phones, hand held communication devices, memory sticks etc.) **must** be disposed of through ICT.

8.94 Any disposals shall be recorded by officers concerned and records maintained.

Petty Cash Floats and Imprest Accounts

8.95 The Chief Finance Officer may provide petty cash floats / imprest accounts of such amounts as are considered necessary by officers for the purpose of meeting minor expenses.

8.96 Officers are responsible for making arrangements for the safe keeping and proper use of all petty cash / imprest accounts.

8.97 Each petty cash float / imprest account must be in the sole charge of a single petty cash float / imprest account holder, who is responsible for the proper use and safety of the sums held. Directors shall ensure that petty cash float / imprest account holders sign a document to confirm receipt when first acquiring a petty cash float / imprest account. The maximum amount that can be retained is £200.

8.98 The petty cash float / imprest account holder may use the account to make payments in respect of expenditure legitimately incurred for Council purposes, and must record payments made in the appropriate digital form provided by Finance. The petty cash float /imprest account holder shall obtain cash vouchers for all payments made, and

such cash vouchers shall adequately record any VAT incurred and have VAT receipts attached. The person receiving the cash sum shall sign the voucher.

8.99 When a petty cash float /imprest account needs replenishing, the petty cash float /imprest account holder shall summarise payments detailed on the digital form. The record must be certified as correct by an authorised officer, who must check the petty/imprest digital form, the cash vouchers and any cash held. The completed record, and such other documentation as the Chief Finance Officer shall require, shall be presented to the Chief Finance Officer for reimbursement.

8.100 Each petty cash float /imprest account must be kept in a lockable box. The box shall be kept securely, for example in a lockable cupboard or safe, in accordance with arrangements specified by the Chief Finance Officer (Specific requirements for Insurance cover must be met).

8.101 On ceasing to hold a petty cash float /imprest account, the petty cash /imprest account holder must produce the petty/imprest digital form, vouchers and any unspent balance to an authorised officer for checking and retention. The advance will then be handed over to a successor nominated by the Director, or returned to the Chief Finance Officer.

8.102 Petty cash float /imprest account should only be used for small transactions where it is quicker and more efficient to buy the goods locally rather than by official order.

8.103 Travelling, subsistence and post-entry training expenses should be claimed on i-trent and paid with the employees' salary, and not from petty cash float /imprest account. Travel warrants are also available to employees who require travelling costs to be met by the Council in advance and these should be requested from the Finance Team.

8.104 No income should be paid into a petty cash float/imprest account.

8.105 For the purposes of closure of the Council's accounts each financial year end, the Chief Finance Officer will require a certificate from each petty cash float /imprest account holder, which should be countersigned by an authorised officer, providing such details as the Chief Finance Officer shall specify.

8.106 Officers shall keep up-to-date records of petty cash float /imprest account holders.

8.107 At the end of the financial year, the holder of each petty cash float/imprest will confirm, when requested by Finance, the amount of the cash float held.

9. ASSET REGISTER

9.1 The Chief Finance Officer shall have access to all inventories and other records maintained by officers across the Council for the purpose of compiling and maintaining an asset register in accordance with the relevant accounting regulations.

9.2 Officers will maintain inventories and other records to support the asset register in a format agreed by the Chief Finance Officer. Any individual items of plant, machinery, equipment and other assets that are capitalised will be included in the asset register.

9.3 The Chief Finance Officer will also specify what other inventories and records need to be maintained by officers in order to help safeguard the items recorded in it from loss, theft or damage. Officers shall be responsible for carrying out an annual check of all

items on all inventories and other records of equipment maintained. Based on original cost, the write-off of deficiencies may be authorised as follows:

a) By the relevant Director for amounts not exceeding £2,000.

b) By the Chief Finance Officer for amounts exceeding £2,000.

9.4 Any significant variations should be investigated and reported to the Chief Finance Officer for insurance purposes, with consideration given to reporting the matter to the Chief Finance Officer as a suspected irregularity.

9.5 With the exception of portable IT and communication devices issued to individual officers to assist them in undertaking their duties, assets in the custody of the Council shall not be removed from Council premises, other than in accordance with the ordinary course of the Council's business, or used otherwise than for the Council's purposes, except where specifically authorised by the appropriate Director.

9.6 Surplus or obsolete items should initially be offered for use elsewhere in the Council, and where not required, disposed of by officers on the best possible terms. Where items are to be disposed of for a sum which is less than current value, by an amount which exceeds £2,000, then this shall be authorised by the Chief Finance Officer. Where such items are not disposed of and or sold to a company under contractual terms, they may, when judged best, and, subject to independent check, be offered for sale to staff, provided that permission to proceed is first obtained from the Chief Finance Officer and that subject to that permission, the sale is advertised to as many staff as possible (e.g. using the intranet) for a reasonable length of time (i.e. not less than 2 weeks).

9.7 All devices that could contain data (e.g. PCs, laptops, mobile phones, hand held communication devices, memory sticks etc.) **must** be disposed of through ICT.

9.8 Any disposals shall be recorded by the officer concerned and records maintained.

9.9 Officers shall advise the Chief Finance Officer of the disposal of items for which an adjustment is required to an asset register.

Buildings, Land and Other assets

9.10 Any acquisition, disposal, appropriation or exchange of property or other fixed assets shall be in accordance with the capital programme approved by the Council or through a separate approval.

9.11 For any acquisition, disposal, appropriation or exchange of property or other fixed assets in excess of £10,000 a report shall be made by the relevant Director, in consultation with the Chief Finance Officer, to the relevant Committee for approval.

9.12 Any disposal, appropriation or exchange of property or other fixed assets shall ensure that the Council obtains value for money from the transaction. Terms of disposal should not be finalised without the benefit of a current valuation undertaken a suitable firm of valuers appointed under arrangements approved by that Director. The terms of disposal must also take account of the taxation implications to the Council of the disposal.

10. RISK MANAGEMENT AND INSURANCE

10.1 The Chief Finance Officer is responsible for ensuring that the Council's risks are adequately assessed, and for arranging external insurance cover or making alternative arrangements to provide for potential future liabilities and losses.

10.2 Directors shall advise the Chief Finance Officer of all risks, and changes to risks, in accordance with procedures specified by the Chief Finance Officer. Directors are not authorised to arrange insurance cover except via the Chief Finance Officer.

10.3 Formal identification of key risks which could threaten identified service or Council objectives must be carried out using a risk management process approved by the Chief Finance Officer.

10.4 Identified risks and any remediable actions are to be agreed as part of the process which will include costs and timescales for action.

10.5 Service Leads shall maintain risk registers and ensure that they are kept up to date and monitored on a quarterly basis. The information from these will be consolidated with significant risk / projects reported to the relevant Committee twice a year.

10.6 Any damage, loss or other event which may lead to an insurance claim shall be notified immediately to the Chief Finance Officer and insurance officer by email at insurance@eastcambs.gov.uk. No action should be undertaking by any officer which would prejudice the Council's position in making an insurance claim.

10.7 Failure to inform the Chief Finance Officer of any changed circumstances could affect the validity of the insurance cover.

10.8 Directors are responsible for ensuring compliance with the terms of any relevant insurance policy and for implementing any other advice given by the Chief Finance Officer on the management of insured and uninsured risks.

11. TREASURY MANAGEMENT

11.1 This section sets out the Authority's policy concerning all of its funding or borrowing from external sources and the lending or investment of surplus balances.

11.2 It further sets out how compliance with the Local Government Act 2003 (which requires certain fundamental items of financial policy to be determined by the Authority annually) will be achieved and the scheme adopted by the Authority for the delegation of its powers in relation to treasury management.

11.3 It meets the recommendations set out in the Code for Treasury Management in Local Authorities issued by The Chartered Institute of Public Finance and Accountancy. The Code and this Policy Statement have been adopted by the Authority as part of its Financial Regulations.

Approved Activities

11.4 This Council defines its Treasury Management activities as:

11.5 The management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of risks associated with those activities; and the pursuit of optimum performance consistent with those risks.

11.6 The Authority may be both a borrower and a lender, for example if it has a temporary cash surplus but is a net borrower over the medium or long term.

11.7 All treasury management activities involve risk and potential reward. This Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.

11.8 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance management techniques, within the context of effective risk management.

11.9 The policy of the Authority in the case of lending is to achieve a satisfactory return while minimising risk; the overriding principle is to avoid risk rather than to maximise return. In the case of borrowing, the objective is to minimise cost consistent with ensuring the stability of the Authority's financial position by sound debt management techniques.

11.10 The Authority and, subject to the delegated authorities set out below, its committees and officers are authorised subject to the provisions of this Policy Statement to deposit the surplus funds of the Authority with and purchase Certificates of Deposit issued with institutions in accordance with the Annual Treasury Management Strategy and Annual Investment Strategy adopted by the Council each year, and to borrow monies within the limits established annually by the Authority for its borrowing.

11.11 The Authority will not undertake currency risk and accordingly will not borrow or deposit funds denominated in foreign currencies.

Formulation of Strategy

11.12 The Authority's strategy for the application of its treasury policy as set out in this statement is the Annual Treasury Management Strategy and Annual Investment Strategy prepared by the Chief Finance Officer and approved by Full Council.

11.13 The Chief Finance Officer prepares for the approval of Full Council, annual forecasts of surplus funds and borrowings for the ensuing financial year. He also prepares for the approval of the relevant Committee a strategy for funding the Authority's borrowing requirements or lending surplus cash for the period covered by the forecast. In preparing the strategy he has regard to the maintenance of the stable financial position of the Authority, ensuring that the Authority has sufficient and appropriate facilities available to it to meet both its long-term borrowing requirements and its planned short-term borrowing requirements, and funding needs arising from uncertainties inherent in the planning process in the timing and amount of cash flows. The Chief Finance Officer also has regard to the current levels of short term and long term interest rates and to forecasts of future changes in interest rates and prepares a recommendation for consideration by the relevant Committee and approved by Full Council of the total and

short term borrowing limits and the maximum proportion of interest on borrowing which is subject to variable rates of interest. More detailed guidance on the matters to be included in the Annual Treasury Management Strategy and Annual Investment Strategy include:

a) Treasury limits in force which will limit the treasury risk and activities of the Council;
b) Prudential Indicators;
c) The current treasury position;
d) The borrowing requirement;
e) Prospects for interest rates;
f) The borrowing strategy;
g) Debt rescheduling;
h) The investment strategy; and
i) Any extraordinary treasury issue.

11.14 Matters to be considered in determining the strategy for interest rate exposure are considered further below.

11.15 In preparing the Annual Treasury Management Strategy and Annual Investment Strategy the Chief Finance Officer will consider in the aggregate all of the funds, borrowings and accounts operated by the Authority.

11.16 The Chief Finance Officer has delegated powers to carry out the Authority's strategy for borrowing, depositing surplus funds and managing the cash flow of the Authority. In exercising these powers he has regard to the perceived credit risk associated with the approved institutions with which funds may be deposited or invested; to the effect of possible changes in interest rates on the cost of borrowing and the return from investing and the need to maintain adequate liquid funds to meet the Authority's obligations.

Approved Methods of Raising Capital Finance

11.17 The Chief Finance Officer undertakes on its behalf the borrowing activities of the Authority. He is authorised by the Authority to undertake borrowings of the following types:

a) by overdraft or short term from authorised banks;
b) from the Public Works Loan Board;
c) by means of loan instruments;
d) by other means as approved by the Secretary of State for the Department of Housing, Communities and Local Government (DHCLG) or departments replacing the same.

11.18 No borrowing may be undertaken of a type which is not included in the above list.

Investing and Depositing of Surplus Funds

11.19 The overriding principle guiding the investing of surplus cash balances is the preservation of the capital value of the Authority's resources. The Chief Finance Officer has delegated authority to invest the surplus funds of the Authority in accordance with the Annual Treasury Management Strategy and Annual Investment Strategy and in accordance with the terms of this Statement. He is authorised to

deposit or invest funds only with the institutions and subject to the limits set out in the agreed Annual Treasury Management Strategy and Annual Investment Strategy approved annually by full Council. The Chief Finance Officer is responsible for monitoring the creditworthiness of approved deposit takers using appropriate external sources of information including credit agency reports and then limiting exposure to equal to or below the approved limits for each institution.

Interest Rate Exposure

11.20 The Chief Finance Officer is responsible for monitoring the Authority's interest rate exposure and for determining the interest rate exposure strategy within the limits set by this statement and by the Annual Treasury Management Strategy and Annual Investment Strategy.

11.21 The principal factor governing the exposure of surplus funds to interest rate movements is the Authority's liquidity forecast. Where surplus funds are required to meet possible cash outflows in the near future they will necessarily be deposited short term for periods which will ensure that funds are available when required. Where surplus funds are expected to be available for investment for longer periods the Annual Treasury Management Strategy and Annual Investment Strategy will give guidance on interest rate exposure policy. Where surplus funds are to be used to repay borrowings on maturity the maturity for which the funds are deposited should match as closely as possible the maturity of the related borrowings.

11.22 Matters to be considered in establishing interest rate movement exposure policy include:

a) The current level and structure of interest rates

b) Current interest rates compared with the historical trend

c) Estimates of future movements in the level and structure of interest rates

d) The extent to which estimated movements in interest rates would affect the revenue account and the effect of estimated future movements in interest rates on the revenue account if all borrowings were to be converted to variable rates.

e) The sensitivity of the revenue account to fluctuations in future interest rates compared with estimate.

Legal Issues

11.23 Prior to entering into any borrowing or investment transaction it is the responsibility of the Chief Finance Officer to satisfy himself by reference to the Monitoring Officer, the Authority's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Authority's Financial Regulations.

Delegation

11.24 The Authority has drawn up and approved a Scheme of Delegation for Treasury Policy delegated power, in summary this details the following delegations:

Approval and amendment of Annual Treasury Management Strategy and Annual Investment Strategy	Full Council
Amendment of list of approved institutions	Chief Finance Officer
Approval of Treasury Management Policy Statement & Practices	Chief Finance Officer
Application of approved strategy	Chief Finance Officer
Treasury dealing with counterparties	Senior Accountant
Authorisation of cash transfers	Chief Finance Officer
Borrowing and lending documentation & provision of guarantees to external bodies	Chief Finance Officer
Bank and dealing mandates	Chief Finance Officer under authority of Full Council
Recommend & approving selection of external service Providers & agreeing terms of appointment	Chief Finance Officer under authority of Full Council
Approval of segregation of responsibilities	Chief Finance Officer
Reviewing external audit reports and making recommendations to the relevant Committee	Chief Finance Officer

Review and Reporting

11.25 The Chief Finance Officer reports half-yearly to the relevant Committee and Full Council on treasury activities. An indication of matters to be included in the reports include:

Annual Report to the Council):
Treasury operations for the year

In relation to the previous financial year:
a) strategy
b) economy
c) borrowing and investment rates

d) compliance with treasury limits and Prudential Indicators
e) investment outturn and
f) up-date on current year.

11.26 Matters for determination for next financial year under Local Government Act 2003, including, amongst other things

a) Prudential indicators

b) Proposed amendments to the Treasury Policy Statement

11.27 Management Information Reports from the Chief Finance Officer

a) Analysis of currently outstanding borrowings, deposits and investments by instrument, counterparty, and maturity date

b) Cash flow and revenue outturn compared with budget and commentary on variances

c) Revisions to rolling 12 month cash flow forecast and to estimates of future interest rates; effect on revenue budget

d) Proposed amendments to list of approved counterparties and to limits

e) Proposed amendments to Treasury Management Policy Statement and Treasury Management Practices.

f) Matters in respect of which the Treasury Policy Statement, the Annual Treasury Management Strategy and Annual Investment Strategy or the Treasury Management Policy Statement & Practices have not been complied with.

g) Other matters are drawn to the attention of the Council or the Finance & Assets Committee as appropriate.

Systems and Procedures

11.28 The Chief Finance Officer maintains the Treasury Management Practices Schedules which sets out the detailed systems and procedures which are in place to ensure delivery of the approved policy.

12. INTERNAL AUDIT

General

12.1 The primary role of the Internal Audit Service is to objectively examine, evaluate and report on the adequacy of the Council's internal control environment as a contribution to the proper, economic, efficient and effective use of resources and the management of risk. Internal Audit also advises on, carries out and directly supports investigations into suspicions of fraud or financial irregularity.

12.2 In accordance with Section 6 of the Accounts and Audit Regulations 2011, the Chief Finance Officer and the Chief Executive shall be responsible for maintaining an

adequate and effective internal audit of the Council's accounting records, control systems and financial transactions including any operations affecting the financial arrangements or the finances of the Council. The Internal Audit Section shall comply with the current Public Sector Internal Audit Standards, in undertaking its functions.

Audit Planning and Reporting

12.3 The Head of Internal Audit shall prepare and agree with the Chief Finance Officer an Annual Audit Plan which will set out the intended work of Internal Audit over the coming year. The plan shall be based on an objective assessment of need arising from an analysis of risk and shall be approved and directed, by the relevant Committee. Irrespective of its means of delivery, every process, service and activity falling within the Council's responsibility shall be subject to the Council's system of internal audit.

12.4 The views of Directors shall be sought about which activities are to be included in the plan as being in need of audit.

12.5 Work outside of the plan may also be specially commissioned at the request of the Chief Finance Officer who shall report such requests to the relevant Committee for approval. Any such reviews shall be risk-assessed by Internal Audit and only undertaken if the risks involved justify the audit work necessary and subject to the agreement of any additional cost with the Chief Finance Officer.

12.6 Internal Audit shall at all times conduct its work in accordance with relevant Internal Audit standards and any other protocols agreed with the Chief Finance Officer.

12.7 For the purposes of carrying out an audit or investigation, Internal Auditors and the Chief Finance Officer are authorised to:

a) have access at all times to any Council premises and property;

b) have access to all data, records, documents and correspondence relating to any financial or any other activity of the Council;

c) have access to any assets of the Council;

d) require from any member, employee, agent, partner, contractor or other person engaged in Council business any necessary information and explanation.

12.8 These rights of access include access to relevant records (whether electronic or otherwise) held by service providers. They apply to Council services provided under contracts and partnership arrangements of all kinds including joint and pooled arrangements.

12.9 This right of access shall be incorporated within all relevant contract or service agreement documents involving Council services provided other than internally. It applies to all internal auditors legitimately engaged on Council Internal Audit business, whether they are employees of Internal Audit or are provided under an authorised agency or other contract or partnership.

12.10 Internal Audit shall remain at all times free from undue influence or other pressure affecting its actions and reporting.

12.11 Internal Audit shall report in its own name to the Chief Finance Officer. The Council's Head of Internal Audit shall have direct access and the right of report to the Chief Executive, Directors, the Monitoring Officer, the External Auditor and the relevant

Committee, where appropriate if, in his/her opinion, there are matters of concern that could place the Council in a position where the risks it faces are unacceptable.

12.12 The Head of Internal Audit shall report to the relevant Committee quarterly on progress made in delivering the Internal Audit Annual Plan.

12.13 Implementation of the recommendations made in internal and external audit reports shall be monitored by the relevant Committee. Directors are accountable to this Committee for ensuring that appropriate action is taken in accordance with those recommendations.

12.14 The Chief Finance Officer shall report annually to the relevant Committee on the review of the effectiveness of the Council's system of internal audit.

Directors' and employees responsibilities in respect of financial control and irregularities

12.15 All officers shall maintain proper financial controls in financial systems operated within their area of responsibility (see section 2 of these rules) and shall be responsible for the prevention, detection and resolution of fraud and irregularities.

12.16 All employees are under a duty to report to their senior officer any instance where financial irregularity is suspected. (Guidelines to staff on this matter are contained in the Council's whistle-blowing procedures).

12.17 Officers shall cooperate fully at all times with Internal Audit and ensure that Internal Audit can properly fulfil its role. Any disputes or non-cooperation may be referred to the Chief Finance Officer and ultimately the relevant Committee for resolution.

12.18 Immediately any actual or potential financial irregularity affecting the Council is known or suspected, the appropriate Director shall inform the Head of Internal Audit and Chief Finance Officer to make proposals in respect of any further investigation that may be required (and the extent of any support required from Internal Audit) and make proposals in respect of other action to be taken.

12.19 If the proposals are acceptable to the Chief Finance Officer, Directors shall carry out the proposed actions. Otherwise, alternative proposals shall be made.

12.20 Directors are responsible for taking appropriate action on receipt of recommendations from Internal Audit, either as a consequence of a planned or specially commissioned review or an investigation into a suspected fraud or financial irregularity.

Investigations

12.21 The Chief Finance Officer shall ensure that every case where there are grounds for suspicion of fraud or financial irregularity is considered, and that proposals for action (where appropriate) are made by Directors. The Chief Finance Officer reserves the right to investigate any suspected fraud or irregularity via the Internal Audit Service.

12.22 All action taken shall comply with the Council's Anti-Fraud and Corruption Policy Statement as adopted and approved by the relevant Committee.

12.23 In respect of investigations into suspected Housing and Council Tax benefits fraud, the Chief Finance Officer, or another person authorised by the Chief Finance Officer for

this purpose (ARP), shall have full discretion to determine the appropriate course of action, including referral to Legal Services or the Police for consideration of prosecution.

12.24 In all other cases, referral to the Police shall only be made after full consultation with the appropriate Director and the Monitoring Officer

13. EXTERNAL AUDIT

13.1 Public Sector Audit Appointments appoint the Council's External Auditors for the audit of the main accounts. The Council is required to make its own arrangements for the procurement of Audit services for the audit of the Housing Benefit Grant Claim. Once appointed the auditors carry out their statutory and other responsibilities and exercise their professional judgement independently of any external sources.

13.2 The statutory responsibilities of appointed auditors are set out in the Audit Commission Act 1998 and the Local Government Act 2000, but their principal duties are:

a) the audit of the Council's annual statement of accounts;

b) the audit of the Council's use of resources; and

c) the audit of grant claims.

13.3 In discharging these specific responsibilities and powers, auditors are required to carry out their work in accordance with the Audit Code of Audit Practice.

GLOSSARY

Financial System	Any system (computerised or otherwise) and associated procedures for making or recording any financial transaction of the Council.
Council Tax requirement	The amount required by the Council from council taxpayers in any given year to meet its budgeted expenditure.
Directorate budget	The sum of all individual service budgets for which a single director is responsible.
Functional budget	The functional budget allocated by Council to a particular function or area. The budget represents the maximum spending allowed.
Virement	A virement is a reallocation of funds and their purpose from one budget heading / service to another.
Earmarked reserve	A reserve created for a specific purpose.
Surplus Savings reserve	A reserve created for the purpose of holding underspends created by making savings ahead of need, that will be used to assist with balancing the budget in future years.
Additional budget	A new or additional budget to that approved by Council in February, this would mostly relate to a new capital scheme.
Capital Programme	Is the Council's planned level of spending on all capital schemes, including the funding for each scheme from capital resources or borrowing.
Purchase Requisition	A priced and itemised request, created on Agresso by an authorised officer, for an official order to be raised.
Official Order	An order for works, supplies or services, created on Agresso following the approval of a purchase requisition by an authorised officer.
Petty Cash Float / Imprest account	An amount of money provided for the purpose of funding small cash payments incurred on behalf of the Council.
Petty Cash / Imprest digital form	A record of cash payments made from a petty cash/imprest account.
Cash Voucher	A receipt or other document evidencing the making of a payment from petty cash float/imprest account, supplied by the vendor.
Asset Register	A register of all significant assets owned by the Council, which is maintained by the Chief Finance Officer for statutory accounting purposes.

Inventory	A record of all plant, machinery, vehicles, equipment and other assets under the custody of Directors and officers, including assets the Council does not own outright. It should aid effective control of such assets and can support the management of risk of loss or damage.

6. CONTRACT PROCEDURE RULES

Part 1 Introduction, Scope & Responsibilities
Part 2 Procurement Behaviour & Thresholds
Part 3 Tendering & Contract Management
Appendix 1 Summary of Procurement Thresholds

Part 1 – Introduction, Scope & Responsibilities

1. Introduction

1.1. These rules apply to all Officers of the Council or any local authority trading companies or organisations within the Council's control. They are part of the Council's Constitution and therefore officers have a duty to ensure they have fully understood them prior to commencing any procurement or contracting activity.

1.2. Officers must also ensure that any persons and/ or organisations acting on behalf of the Council fully comply with these rules.

1.3. The aim of these rules is to assist officers in achieving good procurement and the benefits that it brings. These rules are the Council's rules for buying, renting, leasing of goods, services and works for the Council. They do not apply to internal purchases or internal service provisions.

1.4. If there is any change to the law which affects these rules, then that change must be observed until these rules can be revised. If these rules conflict in any way with the law then the law takes precedence. It is the officer's responsibility to seek appropriate advice from Legal Services or seek specialist Procurement advice in relation to any procurement activity.

1.5. Before embarking on any procurement activity it is the officer's ultimate responsibility to seek appropriate Procurement support and guidance. If the officer is in any doubt about whether the rules apply, he/she must always consult with Legal Services or seek specialist Procurement advice immediately.

1.6. The Rules apply to the sale of assets (with the exception of the sale of land / or interests in land – such as covenants or easements) and goods by the Council where the appropriate Service Lead estimates that the assets, goods or services to be sold exceed £1,000.

1.7. Any value stated within these rules is exclusive of VAT.

2. Basic Principles

2.1. All procurement activity and contract/supplier management must:

- Achieve Value for Money for public money spent
- Be consistent with the highest standards of integrity
- Ensure fairness and transparency in awarding public contracts
- Ensure that the Council comply with all legal requirements
- Ensure that Non-Commercial Considerations do not influence any contracting decision.
- Support the Council's corporate and departmental aims and policies of being a customer driven efficient Council with a "can do" attitude and pro-business approach and commercially focused to ensure financial self-sufficiency for the taxpayer.

3. Exceptions to the Rules

3.1. These rules apply to every procurement / Contract made by or on behalf of the Council. No exemption form / officer action is required for:

3.1.1. grants which the Council may receive or make except where the grant is the form of payment for a contract for services where the Council specifies the output or outcomes to be delivered;

3.1.2. acquisition or disposal of any interest in land;

3.1.3. goods, works or services procured in a genuine Emergency (e.g. natural disasters such as flooding or fires, immediate changes to legislation) because of a need to respond to events that were beyond the genuine control of the Council. Any Emergency procurement must be reported to the Director, Resources or Service Lead as soon as practical. Any such Contract entered into by the Council must not be for a term of more than six months. Please note that not allowing enough time to go to Tender is not an Emergency;

3.1.4. goods, services or works purchased through a Public Sector Buying Organisation (PSBO) catalogue as long as the officer is satisfied that the catalogue offers Value for Money;

3.1.5. goods, services or works purchased through a Public Sector Buying Organisation (PSBO) Framework agreement as long as the officer is satisfied that the framework offers Value for Money;

3.1.6. contracts for employment;

3.1.7. for existing supplies, services or goods works which are available only where there is no genuine satisfactory alternative available, such as, public utility infrastructure providers, e.g. Gas mains, sewage and water supply;

3.1.8. any Contracts entered into through collaboration with other Local Authorities or other public bodies, where a competitive process has been followed that complies with the rules of the lead organisation (but does not necessarily comply with these rules). Evidence should be obtained and held for audit purposes;

3.1.9. the lending or borrowing of money;

3.1.10. while the Contract Procedure Rules, as detailed, are still operational within the LATC at this point, the LATC has the opportunity in the future to determine its own procedures and therefore exempt itself from these rules.

4. Requesting an Exemption

4.1. Exemptions from these rules must be obtained in advance of the officer commencing procurement and in accordance with the following procedure, and will only be granted in exceptional circumstances. Lack of forward planning will not constitute a reason for an exemption.

4.2. The officer seeking the exemption is responsible for estimating the Total Value of the proposed Contract. Please see Part 2 rule 2 of this document.

4.3. Where the Total Value is up to £75,000

Exemptions for proposed Contracts with a Total Value not exceeding £75,000 must be recorded using the Exemption Request Form located on the intranet. The officer must secure approval from the relevant Director or the Chief Executive. Approval must be obtained by the officer prior to any procurement activity commencing. The Exemption Request Form will be returned to the Service Lead for retention with the Contract records, with a copy retained by the Monitoring Officer for inspection.

4.4. Where the Total Value is £75,000 up to the Current Goods and Services Public Contract Regulations 2015 Threshold.

Exemptions sought that are equal to or over £75,000 and not exceeding the Regulation Threshold for goods and services must be recorded using the Exemption Request on the intranet. The officer must secure approval from the relevant Director or the Chief Executive and the Section 151 Officer and then send the approved form to the Monitoring Officer. Approval must be obtained by all parties prior to any procurement activity commencing. The Exemption Request Form will be returned to the relevant Service Lead for retention with the Contract records, with a copy retained by the Monitoring Officer for inspection.

4.5. Exemptions Equal to and Over the Public Contract Regulations 2015 Threshold.

Exemptions sought that are equal to or above the Regulation Threshold for works, goods or services can be requested in specific circumstances where the officer can demonstrate clear evidence that there would be no benefit from competition due to the nature of the provider market, and has sought specialist procurement advice. An exemption would only be considered if the obligations under the Public Contract Regulations 2015 are satisfied. Exemptions sought under any other circumstances at this level are not permitted. The officer must record the exemption using the Exemption Request Form located on the intranet. The officer must secure approval of authorisation from the relevant Director or the Chief Executive and the Section 151 Officer. The Exemption Request Form will be returned to the relevant Service Lead for retention with the Contract records, with a copy retained by the Monitoring Officer for inspection.

4.6. Repeat Exemptions

In instances where a repeat exemption is requested, then the Total Value of the requested exemption will be added to previous exemptions and the appropriate rule/ regulation relating to the Total Value will apply. See Part 2 rule 2 of this document re calculating Total Value.

4.7. Exemptions for Works

In the case of exemptions for procurement of works, exemptions will not be granted above the Regulation Threshold for Supplies/Services except as applied in rule 4.6 of this section.

5. Non-Compliance with the Rules

5.1. Where an officer becomes aware of any non-compliance with these rules and which cannot be remedied, they must immediately notify their Service Lead and the Monitoring Officer and no further action taken on the procurement in question until advised to do so.

6. Recommended Reading

6.1. It is strongly recommended that all officers read the following documents in conjunction with these rules and which are available on the intranet and offer further guidance:

- Procurement Best Practice Guide;
- Financial Procedure Rules;
- Procurement intranet pages;
- The Public Contract Regulations 2015.

7. Officer Responsibilities

7.1. The officer responsible for the procurement must comply with these rules and any UK legislation; failure to do so could result in disciplinary action.

7.2. Officers must take account of all necessary legal, financial, procurement and any technical advice.

7.3. The officer must have regard to current guidance (see rule 6 of this section) and the principles of the Council's Procurement Strategy.

7.4. The officer is responsible for the procurement and must ensure:

- Continuing compliance with the Council's requirements;
- Value for Money;
- Compliance with these rules, any legal, statutory requirements and any Council policies.

7.5. The officer must ensure security and confidentiality of documentation supplied at all stages of the procurement activity, including Tender Evaluation Reports, working papers and minutes of meetings. The officer must ensure that he or she records in writing all minutes of meetings and decisions/actions taken.

7.6. Where the Total Value of the procurement is less than £25,000 the officer must take steps to secure Value for Money by clearly defining the business requirement and seeking offers at the lowest cost commensurate with meeting that business requirement.

8. Director/Service Lead Responsibilities

8.1. Directors and Service Leads must comply with these rules and must ensure that their officers comply with these rules.

8.2. The Directors/Service Leads must keep a written record of all approved exemption requests for his/her department and obtain specialist Procurement advice to avoid seeking exemptions in future. This record must be produced when required by the Monitoring Officer or audit.

8.3. Directors/Service Leads must keep a register of contracts completed by signature (rather than by the Council's seal) and arrange their safekeeping on Council premises as per the Council's retention policy available on the intranet pages.

9. Prevention of Corruption and Conflict of Interest

9.1. All officers have a duty in law to avoid any form of behaviour or conflict of interest that might distort or restrict competition, or make a Contract award subject to the risk of being challenged. All officers involved in procurement must declare any conflicts of interests relating to the procurement activity where they, or their significant other, have a vested interest that could conflict with the best interests of the Council.

9.2. All officers must always comply with the Council's code of Conduct and Anti-Fraud and Corruption Strategy, and must not offer, promise or give any gift or reward in respect of the award or performance of any Contract.

9.3. All officers must always comply with the Council's Code of Conduct and Anti-Fraud and Corruption Strategy with regards to receiving of gifts in respect of the award or performance of any Contract.

9.4. Officers are advised that any inappropriate behaviour that is deemed contrary to the Bribery Act 2010 could result in dismissal and the matter may be reported to the police.

---End of Part 1 ---

Part 2 - Procurement Behaviour & Thresholds

1. Procurement Thresholds and Value for Money

1.1. Value for Money is defined with reference to price, quality, availability, functionality and the optimum combination of whole life costs. Opportunities to save money by providing the optimum service for less than budgeted price should also be pursued.

1.2. If the lowest Quotation / Tender obtained exceeds the threshold applicable to the procedure selected, the officer must consult with Legal Services/specialist Procurement advice for approval to proceed or restart the procurement.

2. Total Value

2.1. Officers shall not sub-divide works, services or goods that could reasonably be treated as a single Contract so as to avoid these rules, thresholds or any legal requirements.

2.2. The total estimated value of orders for a given type of goods, services or works should, wherever practicable, be amalgamated for the purpose of determining procurement procedures and thresholds. This will also apply to Framework Agreements.

2.3. If a Contract is for a period greater than one year, then the estimated value of orders to be placed over the full period should be used to determine the appropriate procedure, inclusive of any allowance for inflation. This must also include any extension term offered in the Contract.

2.4. Where leasing arrangements, purchasing support or maintenance agreements are used, the total amount payable over the life of the lease or maintenance period shall determine the appropriate procedure. This should include lease costs and any other costs such as consumables/servicing and maintenance. No leasing arrangements are to be agreed without the support of the Director, Resources.

2.5. Where Contracts entail both revenue and capital costs, the value of the Contract shall be calculated by the aggregation of the total estimated capital cost and the estimated revenue costs calculated as identified above.

2.6. Where a Contract includes the service provider offering goods, services or works as part of their offering, the monetary value of the goods, service and works must be considered in addition to any remaining monetary value of Contract and let in accordance with these rules thresholds. Officers should seek specialist Procurement advice in these cases.

2.7. All costs stated in these rules are exclusive of VAT.

3. Steps Prior To Purchase

3.1. The size, scope, term and specification of the goods, services or works required must be decided in advance of the procurement process commencing.

3.2. The officer must define the duration of the Contract that will provide the most economically advantageous outcome for the Council. This decision must be made in advance of the procurement process and done in accordance with rule 2.3 of this section.

3.3. The officer must consider the options for the delivery of the required goods, services or works. The options include but are not limited to:

- Not buying the goods or services or not having the works done at all;
- Providing the goods, services or works ourselves;
- Utilising a PSBO catalogue (e.g. ESPO) or framework agreement (e.g. ESPO Dealing Direct, Crown Commercial Services);
- Get a third party to provide the ongoing goods, services or works on behalf of the Council;
- Providing the goods, services or works in partnership with a third party;
- By commissioning jointly with another Council;
- By utilising a PSBO (e.g. ESPO, Crown Commercial Services) to procure on behalf of the Council.

3.4. Before beginning a purchase, the officer responsible for it must:

- appraise the need for the expenditure and its priority;
- define the objectives of the purchase;
- assess the risks associated with the purchase and how to manage them;
- consider what procurement method is most likely to achieve the objectives.

3.5. The officer's approach to the appraisal must be proportionate to the complexity and value of the purchase and take into account any guidance in the Procurement Best Practice Guidance available on the intranet pages.

3.6. The officer must consider (where relevant) any specific requirements for what they are purchasing such as Disclosure and Barring Service (DBS) checks or statutory requirements.

3.7. The officer must ensure that he/she consults with Legal Services/specialist Procurement support before any Prior Information Notices (PINs) or Voluntary Ex-Ante Transparency (VEAT) notices, required for the Regulation Procedure are placed on the Find a Tender service (FTS) by Procurement.

3.8. The officer must be satisfied that there is sufficient budgetary provision for the anticipated Contract expenditure and any sources of funding are agreed before conducting the procurement.

3.9. Where the procurement meets the criteria defined for submission to an established Council review group the officer must comply with those requirements.

4. Market Research and Consultation with Third Parties

4.1. The officer responsible for the purchase:

4.1.1. May consult potential providers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of the supply, Contract packaging and other relevant matters provided this consultation does not prejudice any potential candidate.

4.1.2. Must not accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential candidates or distort competition.

5. TUPE – Transfer of Undertakings (Protection of Employment)

5.1. When any employee either of the Council or of a service provider is likely to be affected by changes to staffing or work conditions, redundancy, relocation or transfer of employment or any other aspects relating to the Transfer of Undertaking of Protected Employment Regulations 2006. Such TUPE issues should be included in evaluation and Tender reports. Due regard must be taken of all regulations concerning TUPE and Workforce Matters including appropriate consultation with staff and trade unions, furthermore due care must be taken to ensure the validity and accuracy of all TUPE information. Pension entitlements must also be considered and as far as possible, protected within this process. Advice regarding TUPE must be sought from Legal Services/Human Resources.

6. Collaboration

6.1. Officers should actively seek out opportunities to collaborate with other public bodies where this is of benefit to the Council, taking into account any adverse effect on Local economy and voluntary sector.

6.2. Where a collaborative procurement occurs, it is the procurement rules of the authority leading the procurement which will apply unless the lead authority specifically agrees otherwise.

6.3. Where the authorities opt for the use of a collaborative Framework Agreement, the anticipated expenditure of the authorities concerned will dictate which procurement rules to apply.

7. Insurance

7.1. The standard levels of cover required by the Council can be found on the Council's intranet or by contacting the Council's Finance Team. Where the Council's standard level of cover is not considered to be suitable by the officer, advice on levels should be discussed and agreed in writing with the Finance Team. Professional indemnity must be evaluated on a case by case basis as it may not always be necessary.

8. Sustainable Procurement

8.1. Sustainable procurement offers the Council the opportunity to encourage working collaboratively with suppliers to adopt practices that minimise environmental and social impacts. Officers must consider minimising the impact on the environment whilst also acquiring goods, works and services at a competitive rate. Officers are required to consider ways of procuring more resource and energy efficient alternatives and pay particular regard to the Council's environmental policies.

9. Supporting Local Enterprises, Voluntary and Community Organisations

9.1. Officers should use the Council's purchasing power to support local small and medium enterprises (S.M.Es) and/or voluntary and community organisations and seek benefits and added value for the local geographical area wherever possible and where this provides equal or better Value for Money for the Council than alternatives.

9.2. Officers must ensure that processes do not overburden or restrict either S.M.Es or voluntary and community organisations from having the same opportunity to respond to procurements as those in the commercial sector.

9.3. Officers must where possible incorporate questions in their Tenders that evaluate responses relating to any of the following:

- Local economical benefits,
- social value benefits,
- regeneration within the community,
- local employment,
- local apprenticeships,
- or any other benefits that support the Local economy and prosperity for the District where this is appropriate to the procurement.

9.4. Under the Localism Act 2011 and the Community Right to Challenge, an individual or group can propose a solution to provide a service that the Council currently provide. Advice should be obtained from Legal Services on the process to follow should a challenge be received.

10. Income Generating Purchases

10.1. Where an officer is proposing to enter into a Contract where either;

- the Council will be the service provider,
- or the Contract may generate income for the Council possibly to off-set the monies otherwise payable by the Council to the supplier (e.g. a sponsorship agreement), in addition to the other requirements in these rules,

10.2. The officer shall only enter into a Contract if the Service Lead is satisfied that:

- the services to be provided and any benefits to the Council have been clearly specified;
- the Council has power to provide the service, if applicable;
- the proposed Contract is in the best interests of the Council.

11. Consultants

11.1. The relevant Service Lead must consider whether internal resource can provide the requirement in the first instance.

11.2. The relevant Service Lead must consider whether temporary agency staff provision can provide the requirement in the second instance.

11.3. The relevant Service Lead, in conjunction with the Finance team, must identify and consider the employment status of any Consultant appointed and ensure where necessary the Consultant is treated as an employee of the Council.

11.4. A Consultant appointed to advise on the procurement or design of the project, or to advise on an evaluation or similar exercise must not be permitted to bid for any subsequent stage of the work or project.

11.5. It shall be a condition of the engagement of any consultant, agent or professional adviser who is to be responsible to the Council for the management or supervision of a contract on its behalf, that in relation to that contract he/she shall -

- comply with these Rules as though he/she was an employee of the Council;
- at any time during the carrying out of the contract shall, on request, produce all the records maintained in relation to the contract; and
- on completion of the contract transmit all records that he/she has produced or received that relate to the contract to the appropriate Service Lead.

12. Purchasing from Framework Agreements

12.1. The officer may purchase goods, services or works from a Framework Agreement if the Council is named either specifically or in acceptable geographic terms on the Framework Agreement, the scope for the officer's purchase is specified in the framework and the framework is set up in compliance with the UK legislation.

12.2. The officer must not call-off from a Framework Agreement if there is no clear and specific call-off criteria in the agreement.

12.3. The officer must seek specialist Procurement advice if the proposed value of the purchase is £75,000 or more.

12.4. Where the terms of the Framework Agreement provide for direct purchase without competition and the terms of such call-off are sufficiently precise (i.e. one supplier), officers may purchase under the Agreement without re-opening competition.

12.5. Where the terms laid down in the Framework Agreement are not sufficiently precise to make a direct award or the terms of the Framework Agreement so specify, the officer must hold a mini competition in accordance with the provisions of the Framework Agreement and the following;

- Inviting all of the organisations within the Framework Agreement who are capable of executing the subject of the Contract to submit a written response to Quotation or Tender;
- Fixing a time limit, which is sufficiently long so as to allow Tenders for each specific Contract to be submitted, taking into account factors such as the complexity of the subject of the Contract;
- Tenders shall be submitted in writing, and their content shall remain confidential until the stipulated time limit for reply has expired;
- The Contracting Authority shall award each Contract to the Bidder who has submitted the best Tender on the basis of the award Criteria set out in the Tender documents for the Framework Agreement.

13. Setting up a Framework Agreement

13.1. The Public Contract Regulations 2015 stipulate that the term of any Framework Agreement must not exceed four years except in exceptional circumstances, in particular, circumstances relating to the subject of the Framework Agreement. In the event that a Framework Agreement is required for more than four years, Officers must

seek approval from the Service Lead and Monitoring Officer having obtained specialist Procurement advice.

13.2. The default for creating a call-off mechanism when creating a Framework Agreement should be a mini-competition. Where a mini-competition mechanism is not used this must be approved by the Service Lead and Monitoring Officer having obtained specialist Procurement advice.

13.3. The officer must consider the impact of potentially closing the market in this sector to new suppliers during the period of the Framework Agreement and ensure that the benefits and length of the Framework Agreement are justified.

14. Purchases up to £5,000 in Total Value

14.1. Whilst obtaining Value for Money remains the primary objective, multiple Quotations are not essential where the Total Value of the proposed Procurement is less than £5,000.

14.2. Wherever possible, quotations must be from Local providers.

14.3. A purchase order must be raised unless the purchase is conducted using a Government Procurement Card (GPC). The terms of the purchase order should suffice unless the officer believes the complexity of the purchase requires more bespoke terms from Legal Services. The purchase order must specify clearly what the Officer wants.

15. Low Value Contracts from £5,000 up to £25,000 in Total Value

15.1. Officers must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using a PSBO catalogue or an accessible framework agreement.

15.2. A minimum of three written Quotations must be obtained for requirements between £5,000 and up to £25,000 and a purchase order must be processed before goods or services or works are purchased. Wherever possible, one quote must normally be from a Local provider. The written Quotations must contain:

- The goods, services or works to be supplied;
- Where and when they are to be supplied;
- The Total Value of the transaction and;
- The terms and conditions to apply to the procurement including price and payment terms

15.3. Written Quotations must be by way of letter or email. Quotations submitted through an E-Tendering solution are acceptable.

15.4. If the Officer cannot obtain three Quotations, the Officer must satisfy themselves that they have obtained Value for Money for the Council and must seek approval from the Monitoring Officer to proceed and the justification to proceed must be recorded, including the relevant exemption clause number, and be available for inspection.

15.5. A purchase order must be raised. The terms of the purchase order should suffice unless the officer believes the complexity of the purchase requires more bespoke terms from Legal Services. Where it is proposed that a form of Contract be used which does not adopt the Council's standard terms, the use of such must be approved by Legal Services. The purchase order must state:

- What is to be supplied (description and quality);
- Payment provisions (amount and timing);
- When the Council will have the right to terminate the Contract.

15.6 The Officer must record the purchase on the Council's Contract Register.

16. Purchases from £25,000 up to £75,000 in Total Value

16.1. The officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an accessible framework agreement.

16.2. A minimum of three comparable written Quotations must be sought and wherever possible, at least one quote must be normally from a Local provider. This must be done using the Formal Request for Quotation documentation (available on the intranet) unless otherwise agreed by Legal Services/specialist Procurement advice and must specify:

- The goods, services or works to be supplied;
- Where and when they are to be supplied;
- The Total Value of the Contract;
- The terms and conditions to apply to the procurement including price and payment terms.

16.3. A contract advertisement must be placed on the Contracts Finder website. The officer should seek specialist Procurement advice to facilitate this.

16.4. The criteria for selecting the most economically advantageous Quotation must be robust and established before the written Quotations are invited.

16.5. Written Quotations must be by way of letter or email and must be addressed personally. Printouts of catalogues are not written Quotations. Quotations submitted through an E-Tendering solution are acceptable.

16.6. If it is not possible to obtain three Quotations, the officer must complete an Exemption Request Form and obtain approval to the requested exemption before any procurement activity commences.

16.7. A purchase order must be raised but the officer must ensure the Council's standard terms and conditions located on the Council's internet site are used as the Contract terms unless the officer believes the complexity of the purchase requires bespoke terms from Legal Services. Where it is proposed that a form of Contract be used which does not adopt the Council's standard terms the use of such must be approved by Legal Services.

16.8. An award notice must be placed on the Contracts Finder website where a contract advertisement has been placed previously (see 16.3).

16.9. The Officer must record details of the contract on the Council's Contract Register.

17. Purchases from £75,000 in Total Value up to the Public Contract Regulations 2015 Threshold

17.1. The Officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an accessible Framework Agreement.

17.2. Officers must seek specialist Procurement advice before commencing the procurement.

17.3. Officers must follow a formal Tender process. The Council's Procurement Best Practice Guidance available on the intranet can offer guidance on the Tender process.

17.4. An advert must be placed on Contracts Finder. The Criteria for selecting the most advantageous Tender must be established before the written Tenders are invited.

17.5. Officers must ensure the Council's standard terms and conditions located on the Council's internet are used as the Contract terms unless the officer believes the complexity of the purchase requires bespoke terms from Legal Services. Where it is proposed that a form of Contract be used which does not adopt the Council's standard terms the use of such must be approved by Legal Services.

17.6. An award notice must be placed on the Contracts Finder website where a contract advertisement has been placed previously (see 17.4).

17.7. The Officer must record details of the contract on the Council's Contract Register.

18. Contracts over the Public Contract Regulations 2015 in Total Value

18.1. The officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an accessible Framework Agreement.

18.2. All goods, services and works with a procurement Total Value in excess of the Public Contract Regulation 2015 threshold are enforced by Public Contracts Regulations 2015, which lay down a strict process for advertising, timetabling and supplier selection. The latest thresholds and regulations can be found at the following site: http://www.ojec.com/Thresholds.aspx. These regulations take precedence over these Rules or any other Council rules and carry potentially heavy penalties for non-compliance. Officers must comply with the detail and principles of the Directives at all times.

18.3. All procurements above the Regulation Threshold must be approved by the relevant Committee prior to the procurement exercise being started.

18.4. Procurement must be consulted on the developments of all contract notices and are responsible for the notice publication on the Find a Tender service (FTS). The Criteria for selecting the most economically advantageous Tender must be established and published at the time that the notice is placed.

18.5. Officers must seek specialist procurement advice before commencing the procurement.

18.6. Specialist procurement advice must be sought regarding decisions relating to whether a procurement of services should be treated as a "light-touch" procedure.

18.7. In addition the procurement must be advertised on Contracts Finder immediately AFTER despatch of advert to Find a Tender service (FTS) and must contain no more information than the FTS version.

18.8. Committee approval is required confirming the successful bidder prior to commencing contract award.

18.9. Officers must ensure that in the award of any Contract covered by the Public Contracts Regulations 2015 procedures they follow the formal award process described in the FTS notice.

18.10. An award notice must be placed on the Contracts Finder website where a contract advertisement has been placed previously (see 18.7).

18.11. The Officer must record details of the contract on the Council's Contract Register.

---End of Part 2 ---

Part 3 - Tendering & Contract Management

1. Fair and Equal Competition

1.1 The officer must manage any Tender or Quotation process in such a way that all Bidders are treated equally and ensure that any clarification meetings (at pre and post Tender stage, if necessary) are conducted fairly and transparently.

1.2 Officers must take care in compiling lists of Bidders and in preparing Tender documentation, as well as in the conducting of post-Tender clarification and/or negotiation meetings. Decisions must be recorded in writing.

1.3 Officers need to be aware of the key pieces of legislation in relation to equality and diversity, which include, but are not limited to, the Equalities Act 2010 and seek advice within the relevant bodies within the Council.

2. Tender Preparation

2.1 Unless confined by market conditions or legal requirements, a minimum of three bidders must be invited to Tender. The Officer must invite a minimum of five bidders if the Total Value is over the Public Contract Regulations 2015 threshold (excluding negotiated and competitive dialogue procedures which require three Bidders to be invited). At least three tenders must also be received.

2.2 In the event that less than three tenders are received then an exemption must be sought.

2.3 Candidates invited to Tender must be given an adequate period in which to prepare and submit a Tender response consistent with the urgency of the procurement requirement, the level of complexity of the requirement and according to the industry norm. Normally at least three weeks should be allowed for submission of Tenders. For Tenders above the Public Contract Regulations 2015 Threshold, officers must adhere to the minimum timescales stipulated. The Officer must ensure that the specification and evaluation Criteria take into account the Council's priorities.

2.4 The officer must ensure that the specification clearly describes the intended outcomes/ outputs and that it is complete, adequate and fair to allow Tenders to be sought.

2.5 The officer must assess the quality of Tenders by pre-determined non-discriminatory evaluation Criteria and weightings, including whole life cycle cost where appropriate.

2.6 The officer must assess the risks associated with the Contract.

2.7 The officer must maintain a Tender file to record all decisions and other matters associated with the Tender.

2.8 The Contract terms and conditions must be included with the Invitation to Tender documents. Where it is proposed that a form of Contract be used which does not adopt the Council's standard terms, then the use of such must be approved by Legal Services.

2.9 The Tender documentation must explain how information provided in the Bidder's response/s will be treated with regard to any statutory requirements (e.g. Freedom of Information Act requests). If in doubt please seek advice from Legal Services.

2.10 Invitations to Tender must include a statement that the Council does not bind itself to accept the lowest price Tender or any other Tender.

2.11 Bidders must be required to hold their Tenders open for acceptance for a minimum of 90 days from the date of opening.

2.12 The Evaluation Criteria and any sub-criteria must be disclosed in the Invitation to Tender documentation and any prequalification documentation.

3. Selection and Award Criteria

3.1 Officers must treat selection and award Criteria separately as required in the Public Contract Regulations 2015. Selection Criteria are based on a Bidder's ability to perform the Contract and are only used at the selection stage (e.g. previously PQQ now SQ stage) stage in a Restricted Tender Procedure or as an initial selection stage of the evaluation in an Open Tender Procedure. Award Criteria are used at the Invitation to Tender stage and are described in the Tender documentation.

4. Use of Presentations and Site Visits in a Tender Process

4.1 Careful consideration should be given to the use of presentations and/or site visits within the Tender process. There should be a clear understanding of the reason for the use of the presentation or visit and how it will contribute to the evaluation process. The default position should be not to use presentations or conduct site visits. If, however, it is required this must be declared as part of the evaluation Criteria in the Tender document. All Bidders must be invited to present or be included in site visits. Any questions should be sent to Bidders in advance. The documentation must clearly state what weighting any presentations or site visits carry as part of the award Criteria.

5. Conducting an Electronic Tendering (E-Tendering) Process

5.1 The officer must where possible run his/her Tender process as an electronic Tender process (as per thresholds Part 2 rules 17 and 18). Where an electronic process is not used, this must be agreed with the Procurement resource.

5.2 Other E-procurement tools such as (but not limited to) e-auctions and electronic Quotations and/or Dynamic Purchasing Systems must also be considered for Tenders. Tenders by fax must be rejected.

6. Receiving Late Tenders or Errors in Tenders

6.1 Where a Tender has been received which is deemed to be late (has passed the Tender response deadline) the officer shall, prior to opening any of the Tenders, report this to his/her Service Lead, giving details surrounding the circumstances of the late Tender. The Service Lead with the prior approval of the Monitoring Officer may accept the Irregular Tender if they determine that the Bidder has gained no unfair advantage from it being late.

6.2 The Service Lead, with the prior approval of the Monitoring Officer, may permit a Bidder to correct an error or omission that, in the opinion of the Service Lead, is an obvious one and if they determine that the Bidder has gained no unfair advantage from correcting the error. Any such corrections will be recorded on the Tender file. The Service Lead shall record in writing the reasons why each Irregular Tender has been accepted or rejected and sign and date the record.

7. Tender and Quotation Evaluation

7.1 Tenders and quotations must be assessed in accordance with the pre-determined evaluation Criteria.

7.2 The results of the Tender evaluation must be recorded and retained on the Tender file.

7.3 The evaluation process must clearly demonstrate that the Council is seeking to identify the Value for Money Tender or quotation. Further guidance on evaluation can be found in the Council's Procurement Best Practice Guidance available on the intranet.

8. Seeking Clarification

8.1 Providing clarification of an Invitation to Tender to potential or actual Candidates or seeking clarification of a Tender whether in writing or by way of a meeting is permitted only after seeking specialist procurement advice.

8.2 Clarifications are not opportunities to conduct major negotiations.

8.3 For all Tenders, Officers shall take into account the requirements of the Public Contract Regulations 2015 for any negotiations, clarifications or refinements to any Tender and related documentation.

8.4 Officers may, in consultation with the specialist procurement adviser, and with the approval of Legal Services, make clarifications and/or refinements to the Invitation to Tender and related documentation where a Tender process provides for this, provided that all such clarifications and/or refinements are recorded in writing by an Officer of the Council. There must be no significant variation of the Invitation to Tender or related documentation.

8.5 Full written records of all clarification decisions must be made and retained by the relevant officer.

9. Intention to Award a Contract

9.1 For Contracts that are subject to the Public Contract Regulations 2015, Officers must allow Bidders a mandatory minimum standstill period of 10 calendar days for electronic Tenders (otherwise 15 days for non-electronic Tenders) from notification to all Bidders before entering into a contractually binding agreement with the successful Bidder. Officers should not undertake any action in relation to the contract during this time, other than respond to relevant queries from Bidders.

9.2 The results of the Tender evaluation process must be recorded in writing.

9.3 Following the standstill period a Find a Tender service (FTS) award notice must be placed.

9.4 For Tenders above the Public Contract Regulations 2015 Thresholds all Bidders must be notified in writing of the award.

9.5 Any complaints from unsuccessful Bidders must be sought in writing and Officers must submit these to the specialist Procurement adviser for review. Guidance on debriefing candidates or Bidders can be found in the Council's Procurement Best Practice Guidance available on the intranet. The Monitoring Officer must be notified

immediately of any challenge to a procurement process, in order that appropriate action may be taken.

9.6 If requested by a candidate, the Officer may also give the debriefing information to Candidates who were deselected in a pre-Tender short listing process.

10. Award & Placing of Contract

10.1 Legal Services shall finalise/ review all contracts above £25,000. All contracts above £75,000 must be signed/ and sealed (as appropriate) by the Legal Services Manager, the Chief Executive or Director, Resources. Once signed by the Contractor, all original documents, including specifications, drawings, tender documents and correspondence relating to a contract shall be retained by the Legal Services Manager. Authorised Officers should then complete the Contract Register Form and forward this to Legal Services for publishing on the Council's website.

10.2 Where the Total Value of the Contact exceeds £25,000 a record of the contract award must be made on Contracts Finder.

11. Contracts Register

11.1 Officers should complete the Contract Register Form and forward this to Legal Services for publishing on the Council's website for all new and existing Contracts with a value equal to or exceeding £5,000 and ensure that the register is updated if these details change to ensure compliance with Local Government Transparency Code requirements.

12. Contract Documentation

12.1 The advice of the Legal Services must be sought for the following Contracts:

- Those involving leasing arrangements;
- Where it is proposed to use the supplier's own terms;
- Where the Total Value exceeds Public Contract Regulations 2015 thresholds;
- Those which are complex in any other way.

12.2 Officers must ensure that they obtain a written Contract for all goods, services or works.

12.3 A letter or an email exchange can constitute a Contract and therefore Officers should be careful to avoid accidental or premature contractual agreements occurring.

12.4 A verbal commitment can equally constitute a Contract and therefore the Officer must use caution as to what he/she commits to.

12.5 Advice on which form of Contract would be most suitable for the procurement can be sought from Legal Services.

12.6 Contracts **must not** be split into smaller value agreements to avoid having to meet the Tendering and contractual requirements imposed for larger Contracts by these rules/ regulations or the law.

12.7 The Council may wish to enter into "nil value Contracts", for example where the supplier receives payment from a third party, or where the supplier receives non-monetary benefits. Nevertheless, any such Contract must be let in accordance with these rules and Officers should seek the advice of Legal Services in these cases.

13. Bonds, Parent Company Guarantees and other Sureties

13.1 In the case of any contract for the execution of works or for the supply of goods, services or materials above £75,000, the Officer shall, after consulting with Chief Financial Officer (or in their absence the Legal Services Manager), consider whether the Council should require security for its due performance and shall either certify that no such security is necessary or shall set out in the specification of tender the nature and amount of the security to be given. In the latter event, the Council shall require and take a Performance bond or other sufficient security (such as a Parent Company Guarantee) for the due performance of the contract. Where contract payment is in arrears and a reasonable retention of at least 10% of the contract price is applied, Performance bonds will not usually be required.

13.2 The Council must never give a Bond or other sureties.

14. Managing Contracts

14.1 All Contracts must have a named officer responsible for the entirety of the Contract and these must be recorded on the Council's Contracts Register.

15. Contract Monitoring, Evaluation and Review

15.1 During the life of the Contract the officer must monitor in respect of

- Performance
- Compliance with specification and Contract
- Cost
- Any Value for Money requirements
- User satisfaction and risk management
- Opportunities for continuous improvement in accordance with any guidance in the Council's Procurement Best Practice Guidance available on the intranet.

16. Variations

16.1 A variation to a Contract may involve (i) a change to the specification, (ii) a one-off item of work or particular service, or (iii) material change in terms affecting the Contract. If an Officer wishes to vary a Contract, Legal Services must be consulted.

16.2 The Officer must always consider whether the Total Value is such that the Contract should be re-Tendered. The Officer should seek advice from Legal Services.

16.3 A variation to a Contract does not need to be Tendered where:

- a Contract has been entered into for goods, services and or works on a particular project; and
- additional or unforeseen goods, services and or works occur on the same project; or
- an extension of such goods, services and or works is required for the completion of that Contract, and the existing supplier has provided the price in writing for the additional or unforeseen goods, services and or works provided in all cases that: the officer, the Procurement resource and the relevant Director certify that it is in the interests of the Council to agree the variation and that such a variation is compliant with Public Contract Regulations 2015.

Advice upon agreeing a variation should always be sought from Legal Services.

16.4 The Variation to the Contract must state the period of notice for implementing variations.

16.5 The Finance & Assets Committee must approve variations of contract price over 10% of the original tender price.

16.6 All variations should be kept with the original Contract and once agreed, all variations on Contracts with a Total Value of £25,000 or more must be noted on the Contracts Register.

16.7 The Financial Procedure Rules and related regulations must be followed when agreeing Contract variations.

17. Extensions

17.1 In certain situations, the duration of the Contract may be extended. Extensions can only be made where:

- there is budgetary provision; and
- Value for Money can be clearly demonstrated; and
- there is a provision stipulated in the original Contract for an extension; or
- An exemption request is made where no specific provision exists in the Contract.

17.2 The Authorised Officer, in consultation with the Chief Executive or relevant Director, may extend a contract subject to the extension being within the scope of the original scheme.

17.3 If the Contract was subject to Public Contract Regulations 2015 procedures, then for an extension to the Contract to be permitted, the original advertisement and the Contract must permit the extension. It is not possible to extend the Contract if an extension provision was not in place from the outset of the Tendering process.

17.4 All Contract extensions where the Total Value of the Contract as extended will be £5,000 or more must be included in the Council's Contract Register.

18. Assignments and Novations

18.1 If an officer becomes aware that an existing supplier has or may be subject to a company reorganisation, where they may be taken over or merged with another company or simply assigned to another or even otherwise disposed of, then he/she should seek the advice of Legal Services.

18.2 Any proposed assignment, novation or disposal must be referred to Legal Services for advice. Any assignment or novation of a Contract must be recorded on the Council's Contract Register.

19. Receivership/Liquidation

19.1 In the event of the officer becoming aware that a supplier is entering into a change of control, insolvency, bankruptcy, receivership or liquidation the officer must inform Legal Services immediately. The supplier shall only be permitted to assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof

with the prior written consent of the Council. The Council reserves the right to decline a supplier that is deemed to be not suitable. If a suitable alternative is not identified the Contract must be re-Tendered.

20. Claims & Disputes

20.1 The officer must consult Legal Services immediately in regard to the making of or receipt of any Contract claims (e.g. for breach of Contract or disputes) and refer also to the Financial Procedure Rules.

21. Termination of Contract

21.1 The date on which the Contract will terminate, and the terms on which the Contract may be terminated early (e.g. for breach of Contract) must be clearly described within the Contract. Only the body/individual who approved the Contract award can agree to implement any provision for early termination.

22. Freedom of Information and Data Protection Act 2018

22.1 The Council has specific obligations under the above acts regarding disclosure of information and the officer has an obligation to record and maintain accurate records relating to Contracts and comply with requests under these Acts. Any queries regarding Freedom of Information or Data Protection should be referred to Legal Services.

22.2 During Tender or quotation processes, Bidders must be informed that they should state if any of the information supplied by them is confidential or commercially sensitive or should not be disclosed in response to a request for information made to the Council. Bidders should state why they consider the information to be confidential or commercially sensitive. This will not guarantee that the information will not be disclosed but will be examined in the light of the exemptions provided in the Act.

23. Retention of Records

23.1 The Officer must keep and maintain records in respect of each Contract (from the time the project begins until the point at which the Contract is awarded or a decision is made not to award a Contract) in order to demonstrate the achievement of Value for Money, openness, probity and compliance with the Rules.

23.2 The Officer must ensure that originals and copies of all Contract documentation adhere to the Council's document retention policy available on the Council's intranet pages. The officer must ensure that he/she has no conflict of interest and must report in writing where he/she suspects a conflict of interest in compliance with the Council's HR policy.

23.3 For more information on specific retention dates please refer to the Council's document retention policy on the intranet.

24. Amendments to these Rules

24.1 The Monitoring Officer, in consultation with the Chief Financial Officer, shall have the power to make incidental amendments from time to time to these rules.

--- End of Part 3 ---

Appendix 1 - Summary of Contract Thresholds

Value of Contract	Purchase Decision	Advertising	Procurement Process	Approval / Signature of Contract
Goods, services and works up to £5,000	Officer	Not required	Obtain Best Value. Multiple Quotations not necessary.	Contract approved by Purchase Order. Written Contract only required where complex requirements signed by Officer with appropriate authority or Purchase Order issued.
Goods, services and works from £5,000 up to £25,000.	Officer	Not required	Obtain at least 3 Written Quotations (1 Local quote).	Contract approved by Purchase Order. Written Contract only required where complex requirements signed by Officer with appropriate authority or Purchase Order issued.
Goods, services and works from £25,000 up to £75,000.	Officer	Must use Contracts Finder for advert notice and award notice.	Obtain at least 3 Written Quotations (1 Local quote) using formal RFQ process.	Purchase Order raised not issued. Written contract signed by Director or Officer with appropriate authority to enter into a Contract. Standard terms or bespoke terms approved by Legal Services.

Goods, services and works from £75,000 up to Public Contract Regulations 2015 Threshold.	Officer and Legal Services.	Must use Contracts Finder for advert notice and award notice.	Obtain at least 3 Tenders using formal Tender process.	Purchase Order raised not issued. Written contract signed by Director or Officer with appropriate authority to enter into a contract. Standard terms or bespoke terms approved by Legal Services.
Goods, services and works from Public Contract Regulations 2015 Threshold and over	Officer, Legal Services and relevant Committee	Must use Contracts Finder for advert notice and award notice. All FTS Notices must be issued by the Procurement resource.	All FTS Notices to be published by the Procurement resource. Obtain at least 3 Tenders using formal tender process.	Purchase Order raised not issued. Written Contract signed by Director or Officer with appropriate authority to enter into a Contract. Standard terms or bespoke terms approved by Legal Services.
Goods, services and works using a Framework Agreement	Officer (and Legal Services if over 75,000)	N/A	Follow call-off procedure within Framework Agreement.	Purchase Order raised not issued. Written contract created from Framework Agreement. Sign-off as per above thresholds.

7. OFFICER EMPLOYMENT PROCEDURE RULES

1. Declaration and support for appointments

(a) Declarations

(i) The Council requires any candidate for appointment as an officer to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing councillor or officer of the Council; or of the partner of such persons.

(ii) No candidate so related to a Councillor or an officer will be appointed without the authority of the relevant chief officer or an officer nominated by him/her.

(b) Seeking support for appointment

(i) The Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.

(ii) No Councillor will seek support for any person for any appointment with the Council.

2. Appointment, disciplinary action or dismissal of Officers

2.1 In these Rules—

"the 1989 Act" means the Local Government and Housing Act 1989;

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

"member of staff" means a person appointed to or holding a paid office or employment under the authority.

2.2 Where the Council proposes to appoint a chief officer and it is not proposed that the appointment be made exclusively from among their existing officers, the Council will:

(a) draw up a statement specifying:
(i) the duties of the officer concerned; and
(ii) any qualifications or qualities to be sought in the person to be appointed;

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

(c) make arrangements for a copy of the statement mentioned in paragraph (1) to be sent to any person on request.

3. Subject to Rules 7 – 9, the function of appointment and dismissal of, and taking disciplinary action against, a member of staff of the authority must be discharged, on behalf of the authority, by the officer designated under section 4(1) of the 1989 Act

(designation and reports of Head of Paid Service), and in accordance with the Council's relevant Policies[4], as the Head of paid service or by an officer nominated by him.

4. Rule 3 shall not apply to the appointment or dismissal of, or disciplinary action against—

(a) the officer designated as the Head of Paid Service; or

(b) a statutory chief officer the Chief Finance Officer and Monitoring Officer or any others within the meaning of section 2(6) of the 1989 Act.

5. Appointment of Head of Paid Service

Where a Committee, Sub-Committee or officer is discharging, on behalf of the authority, the function of the appointment or dismissal of an officer designated as the Head of the authority's paid service, the authority must approve that appointment before an offer of appointment is made to him or, as the case may be, must approve that dismissal before notice of dismissal is given to him (in the latter case, only having followed Rule 9 below).

6. Nothing in Rule 5 shall prevent a person from serving as a member of any Committee or Sub-Committee established by the authority to consider an appeal by—

(a) another person against any decision relating to the appointment of that other person as a member of staff of the authority; or

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

7. **Appointment of Statutory Chief Officers**

Appointment of the Chief Finance Officer and Monitoring Officer (or other Chief Statutory Officers as defined[5], as may supplement or term replacing the same) shall be by Council on recommendation of the Head of Paid Service or his/ her nominee.

8. Other appointments

(a) **Appointment of other Chief Officers and other Officers/ Service Lead** is the responsibility of the Head of Paid Service or his/her nominee.

(b) **Officers below Chief Officer**. Appointment of officers below chief officer (other than assistants to political groups) is the responsibility of the Head of Paid Service or his/her nominee.

(c) **Assistants to Political Groups**. Appointment of an assistant to a political group shall be made in accordance with the wishes of that political group.

9. **Disciplinary action**

9.1. In paragraphs 9.1 – 9.16--

(a) "the 2011 Act" means the Localism Act 2011;

[4] See Key documents
[5] Under the Local Government & Housing Act paragraph (a), (c) or (d) of section 2(6), per Local Government (Standing Order Regulations 1993 No 202 as amended; & 2001 No 3384 as amended

(b) "chief finance officer", "disciplinary action", "head of the authority's paid service" and "monitoring officer" have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;

(c) "independent person" means a person appointed under section 28(7) of the 2011 Act;

(d) "local government elector" means a person registered as a local government elector in the register of electors in the authority's area in accordance with the Representation of the People Acts;

(e) "the Panel" means a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority;

(f) "relevant meeting" means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant officer; and

(g) "relevant officer" means the chief finance officer, head of the authority's paid service or monitoring officer, as the case may be.

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

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

9.4 In paragraph 9.3 "relevant independent person" means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.

9.5 Subject to paragraph 9.6, the authority must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph 9.2 in accordance with the following priority order--

(a) a relevant independent person who has been appointed by the authority and who is a local government elector;

(b) any other relevant independent person who has been appointed by the authority;

(c) a relevant independent person who has been appointed by another authority or authorities.

9.6 An authority is not required to appoint more than two relevant independent persons in accordance with paragraph 9.5 but may do so.

9.7 The authority must appoint any Panel at least 20 working days before the relevant meeting.

9.8 Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular--

(a) any advice, views or recommendations of the Panel;

(b) the conclusions of any investigation into the proposed dismissal; and

(c) any representations from the relevant officer.

9.9 Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person's role as independent person under the 2011 Act.

8. ANTI-FRAUD AND CORRUPTION STRATEGY

1.0 INTRODUCTION

1.1 East Cambridgeshire District Council takes its responsibilities to protect the public purse very seriously and is fully committed to the highest ethical standards, in order to ensure the proper use and protection of public funds and assets. The Council has a zero tolerance stance to all forms of fraud, corruption and theft, both from within the Council and from external sources.

1.2 Good corporate governance requires that the Council must demonstrate that it is firmly committed to dealing with fraud and corruption and will deal equally with perpetrators both from inside and outside the Council. There will be no distinction made in investigation and action between cases that generate financial benefits and those that do not. This strategy will not compromise any equalities legislation or any associated Council policies.

1.3 In addition, by minimising losses through fraud the Council ensures that the scarce resources available are used for the purposes they were intended for i.e. to support the delivery of the objectives set out in the Corporate Plan.

1.4 The strategy applies to councillors, employees, contractors/suppliers, partners, consultants, agency and contracted staff, service users, volunteers and members of the public. All are expected to demonstrate integrity and honesty and offer assistance where necessary.

1.5 This strategy has been created with due regard to current best practice. It embodies a series of measures designed to frustrate any attempted fraudulent or corrupt act and the steps to be taken if such an act occurs. For ease of understanding, it is separated into five areas:

- Culture Section 2
- Prevention and responsibilities Section 3
- Deterrence Section 4
- Detection and investigation Section 5
- Awareness and training Section 6

The Council is also aware of the high degree of external scrutiny of its affairs by a variety of bodies such as External Audit, the Local Government Ombudsman, Central Government Departments (including HM Revenue and Customs and the Department for Work and Pensions), and the Media. The Council welcomes such scrutiny.

1.6 Fraud is defined as "*the intentional distortion of financial statements or other records by persons internal or external to the Council which is carried out to conceal the misappropriation of assets or otherwise for gain".*

The Fraud Act 2006 which came into effect on 15th January 2007 created a new general offence of fraud with three ways of committing it: -

- Fraud by false representation

- Fraud by failing to disclose information
- Fraud by abuse of position

It also created new offences: -

- Obtaining services dishonestly
- Possessing, making and supplying articles for use in frauds
- Fraudulent trading applicable to non-corporate traders

Corruption is defined as "*the offering, giving, soliciting or acceptance of an inducement or reward which may influence the action of any person*".

In addition, this strategy covers "*the failure to disclose an interest in order to gain financial or other pecuniary benefit".*

1.7 The Council also abides by the provisions of the Bribery Act 2010 that covers, amongst other things, the offences of bribing another person, of accepting a bribe and organisational responsibility. The Council's Policy Statement covering the Bribery Act is included as Appendix A to this strategy.

1.8 Theft is defined as "*appropriating property belonging to another with the intention of permanently depriving the other of it*". Incidents of theft should also be reported to the Council's insurance team at insurance@eastcambs.gov.uk.

1.9 The Council further has a money laundering policy aimed at preventing the Council becoming inadvertently involved in such activity. Details of this are included in Appendix B.

2.0 CULTURE

2.1 The culture of the Council has always been one of openness and the core values of fairness; trust and value support this. The Council's culture therefore supports the opposition to fraud and corruption.

2.2 The prevention/detection of fraud and corruption and the protection of the public purse are everyone's responsibility.

2.3 The Council's elected members and employees play an important role in creating and maintaining this culture. They are positively encouraged to raise concerns regarding fraud and corruption, immaterial of seniority, rank or status, in the knowledge that such concerns will, wherever possible, be treated in confidence.

2.4 Concerns must be raised when members or employees reasonably believe that one or more of the following has occurred, is in the process of occurring or is likely to occur:

- a criminal offence
- a failure to comply with a statutory or legal obligation
- improper unauthorised use of public or other funds
- a miscarriage of justice
- maladministration, misconduct or malpractice
- endangering of an individual's health and safety

- damage to the environment
- deliberate concealment of any of the above.

2.5 Depending on the nature of the concerns, these should initially be raised with a line manager. Where this is not appropriate, or an individual feels unable to do so, the Council's Monitoring Officer, Finance Manager or Internal Audit should be approached. The Council also has a Whistleblowing Policy which enables concerns to be raised in confidence. The Council will ensure that any allegations received in any way, including by anonymous letters or phone calls, will be taken seriously and investigated in an appropriate manner, subject to the requirements of the Human Rights Act 1998.

2.6 The Council will deal firmly with those who defraud the Council, or who are corrupt, or where there has been financial malpractice. There is, of course, a need to ensure that any investigation process is not misused and, therefore, any abuse (such as employees raising malicious allegations) may be dealt with as a disciplinary matter.

2.7 When fraud or corruption have occurred because of a breakdown in the Council's systems or procedures, the Chief Executive, Directors and the relevant Service Lead will ensure that appropriate improvements in systems of control are implemented to prevent a reoccurrence. The Council's Internal Audit service will assist in reviewing the control environment and following up on actions arising.

3.0 PREVENTION AND RESPONSIBILITIES

ELECTED MEMBERS

3.1 The Role of Elected Members

3.1.1 As elected representatives, all members of the Council have a duty to citizens to protect the Council from all forms of abuse.

3.1.2 This is conducted through the Anti-fraud and Corruption Strategy and compliance with the Code of Conduct for Members, the provisions of the Council's Constitution (including the Council's Financial Procedure Rules) and relevant legislation.

3.1.3 Elected members sign to the effect that they have read and understood the Code of Conduct when they take office. These conduct and ethical matters are specifically brought to the attention of Members during induction and include the declaration and registration of interests. The Monitoring Officer advises Members of new legislative or procedural requirements.

EMPLOYEES

3.2 The Role of Managers

3.2.1 Managers at all levels are responsible for the communication and implementation of this strategy in their work area. They are also responsible for ensuring that their employees are aware of the Financial Procedure Rules and the provisions of the Council's Constitution, and that the requirements of each are being met in their everyday business activities. In addition, managers must make their employees aware of the requirements of the code of conduct for local government employees through the induction process.

3.2.2 Managers are expected to strive to create an environment in which their staff feel able to approach them with any concerns they may have about suspected irregularities. All managers must be aware of, and consistently apply, the Council's Whistleblowing Policy.

3.2.3 Special arrangements will apply where employees are responsible for cash handling or are in charge of financial systems and systems that generate payments, for example payroll and the creditor payments systems. Managers must ensure that relevant training is provided for employees. Checks must be carried out at least annually to ensure that proper procedures are being followed.

3.2.4 The Council recognises that a key preventative measure in dealing with fraud and corruption is for managers to take effective steps at the recruitment stage to establish, as far as possible, the honesty and integrity of potential employees, whether for permanent, temporary or casual posts. The Council's Equal Opportunities Policy will be adhered to during this process.

3.2.5 The Council has a formal recruitment procedure, which contains appropriate safeguards on matters such as written references and verifying qualifications held. As with other public bodies, Disclosure and Barring Service (DBS) checks are undertaken on employees working in regulated activities. Further checks will be introduced in areas where an increased risk of potential fraud and corruption has been identified.

3.3 Responsibilities of Employees

3.3.1 Each employee is governed in their work by the provisions of the Council's Constitution, the Financial Procedure Rules and other codes of conduct and policies (e.g. human resources policies and procedures, the email and internet code of practice, and IT security policy). They are also governed by the code of conduct for local government employees. Included in these are guidelines on gifts and hospitality and codes of conduct associated with professional and personal conduct and conflicts of interest. These are issued to all employees when they join the Council or will be provided by their manager.

3.3.2 In addition, employees are responsible for ensuring that they follow the instructions given to them by management, particularly in relation to the safekeeping of the assets of the Council. These will be included in induction training and procedure manuals.

3.3.3 Employees who hold professional, trade or other appropriate qualifications are expected to comply with codes of conduct issued by the organisations of which they are members.

3.3.4 Employees are expected always to be aware of the possibility that fraud, corruption bribery or theft may exist in the workplace and be able to share their concerns with management. If for any reason, they feel unable to speak to their manager they must refer the matter to one of those named in paragraph 3.3.5 below.

3.3.5 Concerns must be raised, in the first instance, directly with the supervisor or direct line manager or, if necessary, anonymously (by letter or phone), and via other routes, in accordance with the Council's Whistleblowing Policy:

- to Service Leads, Directors and the Chief Executive and in all cases to the Council's Monitoring Officer who will report such concerns to the Head of Internal Audit;

- directly to the Head of Internal Audit; or
- to the External Auditor, who, depending upon the nature of the concern, will liaise with the Head of Internal Audit.

3.3.6 This strategy, although primarily aimed at those within or associated with the Council, enables concerns raised by the public to be investigated, as appropriate, by the relevant person in a proper manner.

3.4 Conflicts of Interest

3.4.1 Both elected members and employees must ensure that they avoid situations where there is a potential for a conflict of interest. Such situations can arise with externalisation of services, internal tendering, planning and land issues, etc. Effective role separation will ensure decisions made are seen to be based upon impartial advice and avoid questions about improper disclosure of confidential information.

3.5 Internal Control Systems

3.5.1 Appropriate policies and procedures will be maintained to ensure that internal controls designed to prevent or detect fraud and corruption are built into the Council's systems of operation.

3.5.2 In addition to the Financial Procedure Rules and the provisions of the Council's Constitution, individual service areas may have their own procedures to prevent and detect fraud. There may also be audit reports that recommend methods to minimise losses to the Council. Managers and employees must be made aware of and be expected to adhere to these various sources of guidance and alter their working practices accordingly.

3.6 The Role of Internal Audit

3.6.1 Under the Accounts and Audit Regulations, the Council has the responsibility for reviewing, appraising and reporting upon the extent to which the Council's assets and interests are safeguarded from losses due to fraud and other offences; this function is performed by Internal Audit. Internal Audit investigates all cases of suspected irregularity, except benefit, council tax discount and national non domestic rates (NNDR) fraud (see below), in accordance with the requirements of the Human Rights Act 1998. They liaise with management to recommend changes in procedures to prevent further losses to the Council.

3.7 The Role of the Anglia Revenues Partnership & Single Fraud Investigation Service

3.7.1 The Council is responsible for the payment of housing benefit and council tax discounts within the East Cambridgeshire area. This function is provided through the Council's participation with a number of other councils in the Anglia Revenues Partnership (ARP). The Council has a duty to minimise the scope for fraud in this area and protect public funds by ensuring that benefits and discounts are only delivered to those with a true entitlement to them.

3.7.2 The Anglia Revenues Partnership (ARP) Fraud and Investigations Team is responsible for all suspected council tax discount fraud and NNDR fraud investigations, in accordance with the requirements of The Regulation of Investigatory Powers Act 2000, the Human Rights Act 1998 and its own Counter Fraud Policy. In cases where employees are involved, they will work with Internal Audit, Human Resources and

appropriate senior management to ensure that correct procedures are followed and that this strategy is adhered to.

3.7.3 From September 2015 the investigation of suspected or alleged housing benefit fraud is undertaken by the new Single Fraud Investigation Service, a partnership between the DWP Fraud Investigation Service, HMRC and local authorities.

3.8 The Role of External Audit

3.8.1 Independent external audit is an essential safeguard in the stewardship of public money. Whilst detection of fraud is not the primary role of external audit they have a responsibility to review the Council's arrangements to prevent and detect fraud and irregularity, and arrangements designed to limit the opportunity for corrupt practices.

3.9 Co-operation with Others

3.9.1 Internal Audit has set up, and will keep under review, procedures and arrangements to develop and encourage the exchange of information on national and local fraud and corruption activity in relation to local authorities with external agencies such as:

- Police
- External Audit
- Professional bodies – including the Chartered Institute of Public Finance and Accountancy
- Central government including the Department for Work and Pensions and HM Revenues and Customs
- Local Government Ombudsman's Office
- Association of Council Secretaries and Solicitors

3.9.2 The Council will also support local forums where matters of anti-fraud and anti-corruption are discussed. These include:

- Cambridgeshire Audit Group
- LGSS Audit and Counter Fraud client base

3.10 Data Matching

3.10.1 The Council will participate in national and local data matching exercises as it sees appropriate for the purposes of identifying and reducing fraud, corruption and error.

3.10.2 In particular, the Council takes an active part in the National Fraud Initiative (NFI) as organised by the Cabinet Office. This involves a rolling programme of electronic data extraction, data matching, review and investigation of matched reports and reporting on outcomes. The extracted data is matched with other data from public sector organisations to highlight potential fraudulent activity.

3.11 Social Housing Fraud

3.11.1 The Prevention of Social Housing Fraud Act 2013 created new criminal offences of unlawful sub-letting by secure and assured tenants of social housing. This Act supplements existing offences relating to fraudulently obtaining an allocation of social housing and fraudulently obtaining housing benefits. The Act also includes more

powers for local authorities to investigate social tenancy fraud through better access to data from banks and utility companies; although councils could previously request this data, organisations were able to refuse to provide it – under the Act compliance is mandatory.

3.11.2 Social housing fraud is a very significant problem nationally and arises when individuals:

- are allocated a social housing property (a property owned by a registered housing provider or local authority) when they are not entitled to it by lying about their circumstances;
- obtain housing benefit and/or council tax discount they are not entitled to; and
- unlawfully sub-let their social housing property.

3.11.3 Social housing fraud prevents housing from being properly allocated to the people who need it most. It also undermines confidence in the housing allocation system while preventing and detecting fraud stops public money being wasted.

3.11.4 Members of the public are encouraged to report their concerns via the dedicated fraud reporting mailbox - reportfraud@eastcambs.gov.uk

4.0 DETERRENCE

4.1 The best deterrent is a clear framework of processes and responsibilities, which make fraud and corruption hard to perpetrate and will be likely to expose fraud and corruption at the earliest opportunity. The following are those related policies and documents that support the anti-fraud and anti-corruption culture:

- Constitution – which includes the Financial Procedure Rules, Member Code of Conduct and Contract Procedure Rules
- Employee Code of Conduct
- Whistleblowing Policy
- Fraud Response Plan

4.2 The risk of fraud cannot be dealt with in isolation. Management of the risk of fraud is a key aspect of corporate governance and it is essential that all members and staff should have a level of understanding of this strategy. However, some individuals have specific leadership roles and responsibilities and these are identified within Section 3 (Prevention) above.

4.3 Prosecution and recovery

4.3.1 Wherever possible the following actions will be taken where investigation supports suspicions of fraudulent or corrupt activity:

- appropriate disciplinary action will be taken in accordance with the Council's disciplinary procedures
- criminal proceedings will be brought whenever appropriate, should the Crown Prosecution Service decide a prosecution can be pursued

- civil proceedings will be brought to recover lost assets whenever appropriate

4.3.2 Other forms of redress to recover losses (such as making a claim against insurance cover or recovering from pension funds) or to prevent further fraudulent activity by the perpetrator, (such as notifying their professional body) will also be used wherever appropriate.

4.3.3 Sanctions applied in relation to cases of housing benefit and/or council tax discount fraud will be applied in accordance with the ARP Counter Fraud Policy. Options include formal cautions, administrative penalties and prosecution.

4.4 Disciplinary Action

4.4.1 Theft, fraud and corruption are serious offences against the Council and employees will face disciplinary action if there is evidence that they have been involved in these activities. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner, after consultation with the Chief Executive (the police will pass valid cases to the Crown Prosecution Service).

4.4.2 Members will face appropriate action under this strategy if they are found to have been involved in theft, fraud or corruption against the Council. Action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case, but in a consistent manner including possible referral to the police. If the matter is a breach of the Code of Conduct for Members then it will be dealt with in accordance with the arrangements agreed by the Council in accordance with the Localism Act 2011.

4.5 Publicity

4.5.1 The Council's public relations unit will optimise the publicity opportunities associated with anti-fraud and corruption activity within the Council. They will also try to ensure that the results of any action taken, including prosecutions, are reported in the media.

4.5.2 In all cases where financial loss to the Council has occurred, the Council will seek to recover the loss and advertise this fact. In addition to demonstrating the action the Council takes to prevent and detect fraud, it protects itself and the services it provides against the results of fraud within the organisation by obtaining Fidelity Guarantee Insurance.

4.5.3 All anti-fraud and corruption activities, including the update of this strategy, will be publicised in order to make members, employees and the public aware of the Council's commitment to taking action on fraud and corruption when it occurs.

4.5.4 Reports will be made to the Audit Committee about countering fraud and corruption activities and their success when appropriate.

5.0 DETECTION AND INVESTIGATION

5.1 Internal Audit plays an important role in the detection of fraud and corruption. Included in its strategic plan are reviews of system financial controls and specific fraud and corruption tests, spot checks and unannounced visits.

5.2 In addition to Internal Audit, there are numerous systems controls in place to deter fraud and corruption, but it is often the vigilance of employees and members of the public that aids detection.

5.3 In some cases frauds are discovered by chance or 'tip-off' and arrangements are in place to enable such information to be properly dealt with, in accordance with the requirements of the Human Rights Act 1998.

5.4 All suspected irregularities are required to be reported (verbally or in writing) either by the person with whom the initial concern was raised or by the originator, as per paragraph 3.3.5 (including via the Council's Whistleblowing Policy). External Audit will also be notified of all frauds involving sums over £10,000 and any corrupt acts. This is essential to the strategy, and:

- ensures the consistent treatment of information regarding fraud and corruption; and
- facilitates a proper and thorough investigation by an experienced audit team, in accordance with the requirements of the Human Rights Act 1998**.**

5.5 This process will apply to all the following areas:

a) fraud/corruption by elected members
b) internal fraud/corruption
c) other fraud/corruption by Council employees
d) fraud by contractors' employees
e) external fraud (the public).

5.6 Cases under a), d) and e) would normally be referred directly to the External Auditor, Ombudsman or the police.

5.7 If the initial investigation reveals that a full investigation is warranted the Council will invoke the Council's Fraud Response Plan and where applicable the Council's Disciplinary Procedure.

5.8 Any decision to refer a matter to the police will be taken by the Chief Executive in consultation with the Head of Internal Audit, Chief Financial Officer and Monitoring Officer. The relevant Director and Service Lead will be notified if appropriate. The Council will normally wish the police to be made aware of, and investigate independently, offences where financial impropriety is discovered. Any internal investigation will be conducted professionally and in consultation with the police so as to avoid jeopardising any evidence or potential outcomes of related criminal investigation.

5.9 Depending on the nature of an allegation under b) to e), Internal Audit will normally work closely with the relevant Director and Service Lead concerned and the Chief Financial Officer to ensure that all allegations are thoroughly investigated and reported upon.

5.10 The Council's disciplinary procedures will be used to facilitate a thorough investigation of any allegations of improper behaviour by employees. The processes as outlined in paragraph 4.4.2 will cover members.

5.11 If there is a suspicion that an offence of money laundering may have taken place the Money Laundering Reporting Officer (Finance Manager) may refer the matter to the National Crime Agency. Further details are provided in Appendix B to this strategy.

6.0 AWARENESS AND TRAINING

6.1 The Council recognises that the continuing success of this strategy and its general credibility will depend in part on the effectiveness of programmed training and an awareness of fraud by elected members and employees across the Council.

6.2 To facilitate this, positive and appropriate provision has been made via induction and for employees via their development plans. This includes specialist training for certain elected members and employees.

6.3 A leaflet on the Council's Whistleblowing Policy is distributed to all employees and members, and full copies of all relevant policies and strategies are available on the Council's Intranet.

7.0 CONCLUSION

7.1 The Council has always prided itself on setting and maintaining high standards and a culture of openness, with core values of fairness, trust and value. This Strategy fully supports the Council's desire to maintain an honest organisation, free from fraud and corruption

7.2 The Council has in place a network of systems, policies and procedures to assist it in dealing with fraud and corruption when it occurs. It is determined that these arrangements will keep pace with any future developments in techniques to both prevent and detect fraudulent or corrupt activity that may affect its operation.

7.3 The Council will maintain a continuous review of all these systems and procedures through Internal Audit. This strategy will be reviewed periodically to ensure that it remains compliant with good practice and meets the needs of the Council.

Appendix A

BRIBERY ACT 2010 - POLICY STATEMENT

Bribery is a criminal offence. We (East Cambridgeshire District Council) do not, and will not, pay bribes or offer improper inducements to anyone for any purpose, neither do we or will we, accept bribes or improper inducements.

To use a third party as a conduit to channel bribes to others is a criminal offence. We do not, and will not, engage indirectly in or otherwise encourage bribery.

We are committed to the prevention, deterrence and detection of bribery. We have a zero-tolerance towards bribery. We aim to maintain anti-bribery compliance "business as usual" rather than as a one-off exercise.

Objectives of this policy

This policy statement provides a coherent and consistent framework to enable East Cambridgeshire District Council employees to understand and implement arrangements to comply with the requirements of the Bribery Act 2010. In conjunction with other related policies and key documents, it will also enable employees to identify and effectively report a potential breach.

We require that all employees, including those permanently employed, temporary agency staff and contractors:-

- act honestly and with integrity at all times and to safeguard the Council's resources for which they are responsible
- comply with the spirit, as well as the letter, of laws and regulations of all jurisdictions in which the Council operates, in respect of the lawful and responsible conduct of activities

Scope of this policy

This policy applies to all of the Council's activities. For partners, joint ventures and suppliers, we will seek to promote the adoption of policies consistent with the principles set out in this policy.

Within the Council, the responsibility to control the risk of bribery occurring resides at all levels of the Council. It does not rest solely within assurance functions, but in all service area and functions.

This policy covers all staff, including all levels and grades, those permanently temporary employed, temporary agency staff, contractors, agents, Members, volunteers and consultants.

The Council's commitment to action

The Council commits to:-

- setting out a clear anti-bribery policy and keeping it up to date
- making all employees aware of their responsibilities to adhere strictly to this policy
- training all employees so that they can recognise and avoid the use of bribery by themselves and others
- encouraging employees to be vigilant and to report any suspicions of bribery, providing them with suitable channels of communication and ensuring sensitive information is treated appropriately
- rigorously investigating instances of alleged bribery and assisting police and other appropriate authorities in any resultant prosecution
- taking firm and vigorous action against any individual(s) involved in bribery
- provide information to all employees to report breaches and suspected breaches of this policy
- include appropriate clauses in contracts to prevent bribery.

Definition of bribery

Bribery is an inducement or reward offered, promised or provided to gain personal, commercial, regulatory or contractual advantage.

It is unacceptable to:-

- give, promise to give, or offer a payment, gift or hospitality with the expectation or hope that a business advantage will be received, or to reward a business advantage already given
- give, promise to give, or offer a payment, gift or hospitality to a government official, agent or representative to "facilitate" or expedite a routine procedure
- accept payment from a third party that you know or suspect is offered with the expectation that it will obtain a business advantage for them
- accept a gift or hospitality from a third party if you know or suspect that it is offered or provided with an expectation that a business advantage will be provided by us in return
- retaliate against or threaten a person who has refused to commit a bribery offence or who has raised concerns under this policy
- engage in activity in breach of this policy

Facilitation payments

Facilitation payments are not tolerated and are illegal. Facilitation payments are unofficial payments made to public officials in order to secure or expedite actions.

Gifts and hospitality

The Council's policy regarding the acceptance of gifts or hospitality from a third party is set out in the Officer Code of Conduct.

Public contracts and failure to prevent bribery

Under the Public Contracts Regulations 2006 (which gives effect to EU law in the UK), a company is automatically and perpetually debarred from competing for public contracts where it is convicted of a corruption offence. There are no plans to amend the 2006 Regulations for this to include the crime of failure to prevent bribery. Organisations that are convicted of failing to prevent bribery are not automatically barred from participating in tenders for public contracts and so the Council has the discretion to exclude organisations convicted of this offence.

The Bribery Act

There are four key offences under the Act:-

- bribery of another person (section 1)
- accepting a bribe (section 2)
- bribing a foreign official (section 6)
- failing to prevent bribery (section 7)

The Bribery Act 2010 makes it an offence to offer, promise or give a bribe (Section 1). It also makes it an offence to request, agree to receive, or accept a bribe (Section 2). Section 6 of the Act creates a separate offence of bribing a foreign public official with the intention of obtaining or retaining business or an advantage in the conduct of business.

There is also a corporate offence under Section 7 of failure by a commercial organisation to prevent bribery that is intended to obtain or retain business, or an advantage in the conduct of business, for the organisation. An organisation will have a defence to this corporate offence if it can show that it had in place adequate procedures designed to prevent bribery by or of persons associated with the organisation.

Is the Council a "commercial organisation"

The guidance states that a "commercial organisation" is any body formed in the United Kingdom and "…it does not matter if it pursues primarily charitable or educational aims or purely public functions. It will be caught if it engages in commercial activities, irrespective of the purpose for which profits are made". There are circumstances in which we will be a commercial organisation for the purposes of section 7. This policy is intended to ensure that we have in place the necessary procedures to act as a defence to a section 7 offence.

Penalties

An individual guilty of an offence under sections 1, 2 or 6 is liable:-

- On conviction in a magistrates court, to imprisonment for a maximum term of twelve months, or to a fine not exceeding £5,000, or both
- On conviction in a crown court, to imprisonment for a maximum term of ten years, or to an unlimited fine, or both

Organisations guilty of an offence under section 7 are liable to an unlimited fine. In addition a public exposure, or even an allegation, of bribery would entail severe reputational damage.

Bribery is a serious offence against the Council and employees will face disciplinary action if there is evidence that they have been involved in this activity, which could result in dismissal for gross misconduct. Disciplinary action will be taken in addition to, or instead of, criminal proceedings, depending on the circumstances of each individual case.

Adequate Procedures

Whether the procedures are adequate will ultimately be a matter for the courts to decide on a case-by-case basis. Adequate procedures need to be applied proportionately, based on the level of risk of bribery in the Council. The Government considers that procedures put in place by commercial organisations wishing to prevent bribery being committed on their behalf should be informed by six principles:-

- Proportionality
- Top level commitment
- Risk assessment
- Due diligence
- Communication (including training)
- Monitoring and review

These principles are not prescriptive, but are intended to be flexible and outcome focussed, allowing for the different circumstances of organisations. For example, small organisations will face different challenges to those faced by large multi-national enterprises. The detail of how organisations apply these principles will vary, but the outcome should always be robust and effective anti-bribery procedures.

The Council is committed to proportional implementation of these principles.

Anti Bribery procedures

The Council's Anti Bribery procedures cover the six principles detailed above:-

Proportionality – The Council has reviewed a number of its policies to ensure that it has in place procedures to prevent bribery by persons associated with it. These will be proportionate to the bribery risks faced by the Council and to the nature, scale and complexity of the Council's activities.

Top level commitment – The Chief Executive, Directors and Service Leads are committed to preventing bribery by persons associated with it. They foster a culture within the organisation in which bribery is never acceptable.

Risk assessment – The nature and extent of the Council's exposure to potential external and internal risks of bribery by persons associated with it will be periodically assessed. This includes financial risks but also other risks such as reputational damage.

Due diligence – The Council takes a proportionate and risk based approach, in respect of persons who perform or will perform services for or on behalf of the organisation, in order to mitigate identified bribery risks.

Communication (including training) – The Council will seek to ensure that its bribery prevention policies and procedures are embedded and understood throughout the organisation through internal communication, including training that is proportionate to the risks it faces.

Monitoring and review – Procedures designed to prevent bribery will be monitored and reviewed and improvements made where necessary.

Staff responsibilities

The prevention, detection and reporting of bribery and other forms of corruption are the responsibility of all those working for the Council or under its control. All staff are required to avoid activity that breaches the policy.

You must therefore:-

- ensure that you read, understand and comply with this policy
- raise concerns as soon as possible if you believe or suspect that a conflict with the policy has occurred, or may occur in the future

As well as the possibility of civil and criminal prosecution, staff that breach this policy will face disciplinary action, which could result in dismissal for gross misconduct.

Raising a concern

If you have a concern regarding a suspected instance of bribery or corruption then you can report this through the Council's whistle blowing procedure where concerns can be made anonymously. In the event that an incident of bribery is reported, we will act as soon as possible to evaluate the situation.

If you have any questions about these procedures, please contact Trevor Bowd, Principal Auditor on 01353 616219 or email trevor.bowd@eastcambs.gov.uk

Appendix B

ANTI-MONEY LAUNDERING – POLICY STATEMENT

Introduction

The Proceeds of Crime Act 2002, the Terrorism Act 2000 and Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 place obligations on the Council and its employees to establish internal procedures to prevent the use of their services for money laundering and the prevention of terrorist financing. The Council must also appoint a Money Laundering Reporting Officer (MLRO) to receive disclosures from employees of money laundering activity.

We are committed to robust arrangements to identify and prevent any attempts to use East Cambridgeshire District Council to launder money. Offences under money laundering legislation may be committed by individuals or organisations, and money laundering is widely defined as "possessing, concealing, disguising or in any way dealing with the proceeds of any crime by any person known or unknown".

When a person knows or suspects that money laundering activity is taking place (or has taken place), or becomes concerned that their involvement in a matter may amount to a prohibited act under the legislation, they must report this as soon as practicable to the Money Laundering Responsible Officer (MLRO) or risk prosecution. Offences under the Proceeds of Crime Act and Money Laundering Regulations can attract penalties of unlimited fines and up to 14 years imprisonment.

This policy has been written so as to enable us to meet the legal requirements in a way that is proportionate to the risk of contravening the legislation. It also serves to protect the Council's employees through making them aware of their personal obligations and providing a mechanism for them to raise any issues of concern.

Scope

This policy applies to all employees and agency workers.

This policy aims to maintain the high standards of conduct that currently exist within by preventing criminal activity through money laundering. The separate Anti-Money Laundering - Employee Guidance sets out the steps that must be followed to comply with its legal obligations.

Further information is set out in the Anti-Money Laundering - Employee Guidance which is available to all staff.

Definition

The introduction of the Proceeds of Crime Act 2002 and the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 has broadened the definition of money laundering and has widened the range of activities controlled by the statutory framework. Money laundering has been defined as:

- concealing, disguising, converting, transferring or removing criminal property from the UK;

- entering into or becoming concerned in an arrangement which a person knows or suspects facilitates the acquisition, retention, use or control of criminal property;
- acquiring criminal property, using criminal property; or possession of criminal property.

These are the primary money laundering offences and thus prohibited acts under the legislation. In addition, an offence of "Tipping off" can be committed should an individual make a disclosure that is likely to prejudice a current or potential investigation into any potential money laundering.

Potentially any employee could contravene the money laundering provisions if they know or suspect money laundering and either become involved with it in some way and/or do nothing about it.

Whilst the risk of contravening the legislation is low, it is extremely important that all employees are familiar with their legal responsibilities - serious criminal sanctions may be imposed for breaches of the legislation.

Council obligations

To comply with statutory obligations we have:

- Nominated a Money Laundering Reporting Officer ("MLRO") to receive disclosures from employees of money laundering activity;
- Nominated a deputy Money Laundering Reporting Officer; and
- Implemented a procedure to enable the reporting of suspicions of money laundering and communicated this policy to members of staff.

The Money Laundering Reporting Officer

The officer nominated to receive disclosures concerning potential money laundering activity is the Council's Finance Manager and their contact details are set out in the Anti-Money Laundering - Employee Guidance. Also provided within the employee guidance is a template form for making a referral to the Finance Manager.

In the absence of the Finance Manager, the Deputy Money Laundering Reporting Officer is the Senior Accountant.

Contact details for the Money Laundering Reporting Officer and Deputy are provided on the Council's intranet pages and the supporting employee guidance.

Further information

If you have any questions about these procedures, please contact Trevor Bowd, Principal Auditor on 01353 616219 or email trevor.bowd@eastcambs.gov.uk