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No.	Section and Reference	Nature of Proposed Change
1	Article 13 – Decision Making Part 4(h) Principles of Decision Making	Equality and Diversity – New decision making principle: socio-economic disadvantage
2	Part 1 – Summary and Explanation, (6) Public Rights Article 3 – Citizens and the Authority 4. Complaints  Part 3.5 Terms of Reference of Council and Committees Regulation and Review	Changes to the process for Housing and Corporate Complaints (agreed by Cabinet 18.3.24) for two new complaint handling codes.  The two new codes are clear there should only be two stages in a complaints process and how they should be managed.
3	Part 8.7 – Protocol on the Use of the Authority’s Resources and Support for Members 1. The Information Governance Team  8.3 – Planning Code of Practice for Members and Officers 13. Complaints  8.4 Protocol on Member Access to Information and the Authority’s Documents 1.5 approaching service areas for information	Information provided to members needs to reflect the correct support and advice
4	Part 3, Responsibility for Functions:  3.3 Responsibility for Council Functions B42, B47, B48, B49, B50	The functions relating to Streetworks Act and Highways Act should be moved from Director of Public Health to Director of Regeneration and Economic Development as this contradicts what is detailed within the Officer Delegation Scheme
5	Part 3, Responsibility for Functions 3.5 Terms of Reference of Council and Committees  C – Regulatory and Other Committees 2 – Audit Committee  8.2 – Code of Conduct	Changes required to Audit Committee and to bring the Terms of Reference for the Committee in line with sector best practice

6	<p>Part 3, Responsibility for Functions</p> <p>Part 3.5 Terms of Reference of Council and Committees</p> <p>B Overview and Scrutiny Committees</p> <p>2 – Caring Sub Committee</p> <p>3 – Family Friendly Sub Committee</p> <p>4 – Thriving Sub Committee</p> <p>5 – Green Sub Committee</p> <p>6 – Secure Sub Committee</p>	To align the terms of reference of each of the Scrutiny Committees to the priorities and objectives of North Tyneside Plan 2021-25
7	<p>Part 8.7 – Protocol on Use of Authority's Resources and Support for Members</p> <p>6 – Information Technology and other Equipment</p>	To reflect the correct technology and advice available
8	<p>Part 4 – Rules of Procedure</p> <p>4.6 Health &amp; Wellbeing Board</p> <p>1 – Membership</p> <p>4 – Agenda</p> <p>5 – Chair</p>	<p>to reflect the correct membership representation and appointment to the Board and</p> <p>to reflect the agenda setting process</p>
9	<p>4.1 Council Rules and Procedure</p> <p>13 – Voting (3)</p>	Proposals for electronic voting system at Council meeting
10	<p>Part 1 – Summary and Explanation</p> <p>1 – The Authority's Constitution</p> <p>Part 3 Responsibility for Functions</p> <p>3.1 Introduction</p> <p>Article 16: Review and Revision of the Constitution</p>	Review of the Council Constitution
11	<p>Contract Standing Orders – whole document</p> <p>and specific sections</p>	<p>changes to organisational structure and references to EU Procurement Regulations.</p> <p>Compatibility with current systems, data protection and cyber security</p> <p>Compliance with best practice</p>

12	Section 9 - Director of Regeneration and Economic Development Planning Application Exceptions RED12	changes required to the scheme of delegation to reflect legislative changes for planning applications and biodiversity net gain. Changes to the determination of certain major planning applications
13	Section 9 - Director of Regeneration and Economic Development	To take responsibility for and delegate all existing and new Highways Act 1980 functions and those function under the Road Traffic Act 1988
14	Section 8 - Director of Public Health Specific Function DPH28	Remove reference to anti-social behaviour to avoid duplication across directorates
15	Section 12 - Director of Environment Specific Function DE3	to ensure the correct terminology is used to reflect legislation and delegations given to Director of Environment
16	Section 9 - Director Regeneration and Economic Development Specific Function RED56	Complete removal of RED56
17	Section 15 - Head of Law LG13, LG14, LG15 and LG29  Section 16 - Director of Services for Children and Adults HECS36, HECS57 and HECS115	to reflect structure and responsibility changes within the authority and changes to the process of dealing with Housing and Corporate complaints.
18	Section 10 - Director of Commissioning and Asset Management CAM59	to align with the financial values associated with Key Decisions taken by the authority
19	Section 10 - Director of Commissioning and Asset Management - Page 42 - 49 - reallocation of delegations	reallocation of delegations following departure of Director of Commissioning and Asset Management
20	Section 13 - Director of Housing and Property Services HP20 and HP21	To reflect current roles within the service
21	Section 8 - Director of Public Health Specific Function DPH159	Lists of persons entitled to sell non-medicinal poisons
22	Section 8 - Director of Public Health Specific Function DPH27	Issuing of simple cautions in line with Ministry of Justice Guidance and to sub-delegate to the Head of Law
23	Section 10 Director of Commissioning and Asset Management Specific function CAM18	Issuing of School Attendance Orders; the ability to bring proceedings against parents; and applications for Education Supervision Orders

24	Constitution – Part 3.3 Responsibility for Council Functions L – Other Functions L8 – Finance  Officer Delegation Scheme – Section 14 – Director of Resources Director of Resources Specific Function R74	Requirements for the Authority to develop a Capital Strategy  Proposed new delegation to negotiate and agree funding agreements with external bodies relating to the delivery of both capital and revenue investment within the Borough
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## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p style="text-align: center;">Article 13 – Decision Making, Part 4 h Principles of Decision Making</p>	<p>h. Equality and Diversity</p> <p>Decision makers must have regard to the likely effect of the decision on individuals depending on age, disability, gender reassignment, pregnancy, maternity, race, religion or belief, sex or sexual orientation in accordance with the equality duty placed on public bodies by the Equality Act 2010.</p>	<p>h. Equality and Diversity</p> <p>When making decisions of a strategic nature about how to exercise functions of the Authority decision makers must have due regard to the likely effect of the decision on individuals depending on age, disability, gender reassignment, pregnancy, maternity, race, religion or belief, sex or sexual orientation in accordance with the equality duty placed on public bodies by the Equality Act 2010.</p> <p>Decision makers will also have due regard to the desirability of exercising the Authority’s functions in a way that is designed to reduce the inequalities of outcome which result from socio-economic disadvantage. (Note: The consideration of socio-economic disadvantage has been adopted on a voluntary basis and therefore does not have</p>

		the same standing and force as other provisions contained within the Equality Act 2010 or other legislation).
	<b>Reason for proposed change:</b> To update the constitution to reflect that on 16 October 2023 Cabinet agreed to voluntarily adopt the provisions of the socio-economic duty contained within the Equality Act 2010.	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no direct financial implications expected to emerge from this change. . However, if there were to be additional costs then these would be considered and evaluated as part of making the specific decision.</li> <li>• <b>Legal implications:</b> The Authority via Cabinet has voluntarily ‘adopted’ the provisions of the socio economic duty contained within the Equality Act 2010 insofar as the exercise of Cabinet functions are concerned. The proposed changes to the Constitution will mean that the socio economic duty will also apply to Council decisions. It is important for the Authority and its staff to remain aware that where a ‘duty’ has been adopted on a voluntary basis it does not have the same standing and force as other provisions within the Equality Act 2010 or other legislation.</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> The Authority’s Constitutional Task Group will be consulted upon the proposed Changes to the Authority’s decision-making requirements within its Constitution prior to changes being approved by Full Council.</li> </ul> <p>For future individual matters impacted by the socio-economic considerations consultation appropriate to that matter will be undertaken.</p>		

External consultation or engagement will take place where appropriate on policy initiatives arising or impacted by the socio-economic considerations.

- **Human Rights implications:**

There are no direct human rights implications.

- **Equalities and Diversity implications:**

The inclusion of socio economic factors will have positive implications from an equality perspective.

- **Risk Management implications:**

The inclusion of socio economic factors is low risk provided it is implemented and monitored appropriately including ensuring that greater weight is not given to the non-statutory socio-economic factors at the expense of the protected characteristics or other legal obligations. Similarly, adoption as part of decision making but neglecting to consider it or to do so properly would leave decision making open to challenge. The inclusion of the provisions within the Constitution will mitigate against these risks.

- **Crime and Disorder implications:**

Consideration of socio-economic factors will have positive implications in addressing some of the underlying disparities which can contribute to levels of crime and disorder in communities.

- **Environment and Sustainability implications:**

There are no adverse impacts on the environment and sustainability. Addressing socio-economic disadvantages across the borough will help to reduce the impacts of climate change on the most vulnerable groups.

**Proposed by: Anne Foreman, Policy and Performance Manager**  
**Service Area: Corporate Strategy**

	<b>Contact Tel. No:</b> 0191 643 2225.
	<b>Head of Service sign-off:</b> (please insert a cross in the box) <input data-bbox="779 245 898 304" type="checkbox"/>

## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p><b>Part 1 – Summary and Explanation, (6) Public Rights:</b></p>	<p>Please refer to the attached document for the existing text and the proposed changes relating to the Authority’s process for housing and corporate complaints.</p>	<p>Please refer to the attached document for the existing text and the proposed changes relating to the Authority’s process for housing and corporate complaints.</p>
<p><b>Article 3 – Citizens and the Authority</b></p> <p><b>4. Complaints</b></p> <p><b>Part 3.5 – Terms of Reference of Council and Committees</b></p> <p><b>5. Regulation and Review Committee</b></p>	<p><b>Reason for proposed change:</b></p> <p>An updated complaints process for Housing and Corporate complaints was considered and agreed by Cabinet on 18<sup>th</sup> March 2024. The changes were required as a result of two new complaints handling codes:</p> <ol style="list-style-type: none"> <li>1. Housing Ombudsman Service – published on 8 February 2024 and applicable from 1 April 2024</li> <li>2. Local Government and Social Care Ombudsman – published February 2024 and applicable from 1 April 2024</li> </ol> <p>The codes were consulted upon prior to publication.</p> <p>Both codes are clear that there should be only two stages in a complaints process and stipulate how complaints should be managed.</p>	

The proposed changes to the Constitution (and accompanying proposed changes to the Office Delegation Scheme) will reflect the new complaints process and ensure the Authority's complaints processes are in accordance with the codes.

**Implications of proposed change:**

- **Finance and other resource implications:**

There are no financial or other resource implications arising directly from this change. The delivery of complaint services is provided for from existing budget provision. Remedy payments are funded from existing budgets in the relevant service areas.

- **Legal implications:**

The proposed changes reflect the Authority's refreshed Corporate and Housing Services Complaint Procedure and ensure that best practice is being observed in accordance with the codes published by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman (HOS).

- **Consultation/Engagement undertaken (internal and external):**

The two new Codes of Practice for complaint management, published by the LGSCO and HOS on 8 February 2024 followed a national joint consultation held by both Ombudsman from September 2023 to November 2024. Both Ombudsman have stated their intent was to achieve best standard complaint handling across the local government and the social housing sector and deliver better services to the public.

In accordance with the Authority's Constitution, the Regulation and Review Committee and Lead Cabinet Member for Housing services, were consulted about the proposed changes to the Corporate Complaints Procedure.

- **Human Rights implications:**

There are no human rights implications arising directly from this change.

The service promotes equal access to complaint services and opportunities to contribute to service improvement.

- **Equalities and Diversity implications:**

There are no equalities and diversity implications arising directly from this change.

The Authority promotes equal access to complaint services and opportunities to contribute to service improvement. Material is available in different formats and officers actively help those with individual needs as required.

Equality monitoring data is requested from all complainants, so that the Authority can ensure it meets the needs of people with protected characteristics across all of the borough's communities.

An Equality Impact Assessment (EqIA) for the corporate complaints service was completed in December 2023. This will be reviewed within the next six months, in line with Corporate Complaint and Housing Services Complaint Procedure, if agreed by Cabinet.

- **Risk Management implications:**

There are no risk implications arising directly from this change.

- **Crime and Disorder implications:**

There are no crime and disorder implications arising directly from this change.

- **Environment and Sustainability implications:**

There are no environment and sustainability implications arising directly from this change.

**Proposed by:** Haley Hudson, Head of Customer Experience and Public Service Reform **Service Area:** Customer Service and Experience **Contact Tel. No:** 07432006738

**Head of Service sign-off:**  
(please insert a cross in the box)

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## Constitution and Associated Documents –

## Proposed Changes to References to Corporate and Housing Complaints in NTC's Constitution

	Current Wording	Proposed Wording
	<p><b>Part 1 – Summary and Explanation, (6) Public Rights:</b></p> <p>Residents and in some instances other members of the public have many rights including:.....</p> <ul style="list-style-type: none"> <li>commenting or complaining to the Authority using the Authority's complaint procedure relating to anything it has done, or failed to do;</li> </ul>	<p>Residents and in some instances other members of the public have many rights including:.....</p> <ul style="list-style-type: none"> <li>commenting or complaining to the Authority using the Authority's complaint procedures relating to anything it has done, or failed to do;</li> </ul>
	<p><b>Article 3 – Citizens and the Authority</b></p> <p><b>1. Introduction</b></p> <p>Citizens have a number of rights and responsibilities. The following list is a general summary of rights in terms of information, the opportunity to participate and the ability to make complaints.</p>	No Change
	<p><b>Article 3 – Citizens and the Authority</b></p> <p><b>4. Complaints</b></p>	<p><b>Article 3 – Citizens and the Authority</b></p> <p><b>4. Complaints</b></p>

<p>Citizens have the right to complain to:</p> <ul style="list-style-type: none"> <li>a) the Authority itself under its complaints scheme;</li> <li>b) the Local Government Ombudsman; and</li> <li>c) the Standards Committee about a breach of the Members’ Code of Conduct.</li> </ul> <p>Where a complainant remains dissatisfied in respect of any decision made, it is open to them to pursue judicial review of the decision through the courts.</p> <p>Documents regarding all of the Authority schemes listed above are available at all the Authority’s offices and on the North Tyneside Council website. The Members’ Code of Conduct is also set out in Part 8.2 of the Constitution.</p>	<p>Citizens have the right to complain to:</p> <ul style="list-style-type: none"> <li>a) the Authority itself under its complaints schemes;</li> <li>b) the Local Government <b>and Social Care</b> Ombudsman;</li> <li><b>c) the Housing Ombudsman; and</b></li> <li>d) the Standards Committee about a breach of the Members’ Code of Conduct.</li> </ul> <p>Where a complainant remains dissatisfied in respect of any decision made, it is open to them to pursue judicial review of the decision through the courts.</p> <p>Documents regarding all of the Authority schemes listed above are available at all the Authority’s offices and on the North Tyneside Council website. The Members’ Code of Conduct is also set out in Part 8.2 of the Constitution.</p>
<p><b>Part 3.5 – Terms of Reference of Council and Committees</b></p> <p><b>5. Regulation and Review Committee</b></p> <p>Appeals and Complaints</p> <p>46. To consider and determine appeals lodged in relation to those matters referred to it by the Council as set out below:</p>	<p><b>Part 3.5 – Terms of Reference of Council and Committees</b></p> <p><b>5. Regulation and Review Committee</b></p> <p>Appeals and Complaints</p>

<p>a) appeals by employees of the Authority in accordance with local agreements; and</p> <p>b) appeals against decisions by the Appointments and Disciplinary Committee in relation to the Chief Executive and other relevant Officers pursuant to the application of the Local Authorities (Standing Orders) Regulations 2001 and the Joint Negotiating Committee National Salary Framework and Conditions of Service for Local Authority Chief Executives.</p> <p>47. To consider and determine the Authority's final response to all complaints referred to stage 3 of the Authority's Corporate Complaints procedure.</p> <p>48. To monitor complaints received by the Authority in respect of the Authority's Corporate Complaints procedures and from the Local Government Ombudsman.</p> <p>49. To make payments over £5,000 or provide other benefits in cases of maladministration under section 92 of the Local Government Act 2000.</p>	<p>46. To consider and determine appeals lodged in relation to those matters referred to it by the Council as set out below:</p> <p>a) appeals by employees of the Authority in accordance with local agreements; and</p> <p>b) appeals against decisions by the Appointments and Disciplinary Committee in relation to the Chief Executive and other relevant Officers pursuant to the application of the Local Authorities (Standing Orders) Regulations 2001 and the Joint Negotiating Committee National Salary Framework and Conditions of Service for Local Authority Chief Executives.</p> <p>47. During the transitional phase of implementation of the Authority's refreshed complaints procedure in line with the two new Codes of Practice (2024) from the Housing Ombudsman and the Local Government and Social Care Ombudsman to consider and determine the Authority's final response to all complaints referred to the current stage 3 of the Authority's Corporate Complaints procedure.</p> <p>48. During the transitional phase of implementation of the Authority's refreshed complaints procedure in line with the two new Codes of Practice (2024) from the Housing Ombudsman and the Local Government and Social Care Ombudsman to monitor complaints received by the Authority in respect of the Authority's</p>
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		<p>Corporate Complaints procedures and from the Local Government Ombudsman.</p> <p>49. During the transitional phase of implementation of the Authority's refreshed complaints procedure in line with the two new Codes of Practice (2024) from the Housing Ombudsman and the Local Government and Social Care Ombudsman to make payments over £5,000 or provide other benefits in cases of maladministration under section 92 of the Local Government Act 2000.</p> <p>50. Following the implementation of the Authority's refreshed complaints procedure in line with the two new Codes of Practice (2024) from the Housing Ombudsman and the Local Government and Social Care Ombudsman, to monitor, scrutinise and challenge housing and corporate complaints information from the Member Responsible for Complaints with responsibility for those areas annually.</p>
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## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<ul style="list-style-type: none"> <li data-bbox="203 491 663 612">• <b>8.7</b> Protocol on Use of the Authority’s Resources and Support for Members</li> </ul> <p data-bbox="203 667 607 699">Main Resource to Members</p> <p data-bbox="203 756 640 831">1. Information Governance Team</p> <ul style="list-style-type: none"> <li data-bbox="203 976 712 1051">• <b>8.3</b> Planning Code of Practice for Members and Officers</li> </ul> <p data-bbox="203 1109 434 1141">13. Complaints</p>	<p data-bbox="745 491 1272 655">See enclosed track changed document to show proposed amendment and changes from the existing text.</p> <p data-bbox="745 976 1285 1315">Any Member of the Council who is approached about a complaint concerning a planning application should seek advice from an officer in <b>the Information Governance team</b> in Law and Governance or the appropriate Democratic Services Officer</p>	<p data-bbox="1330 491 1921 523">Enclosed Word document for section 8.7</p> <p data-bbox="1330 976 2024 1227">Any Member of the Council who is approached about a complaint concerning a planning application should seek advice from an officer in <b>the Customer First Office</b> in <del>Law and Governance</del> or the appropriate Democratic Services Officer</p>

<ul style="list-style-type: none"> <li>• <b>8.4 Protocol on Member Access to Information and the Authority’s Documents</b></li> </ul> <p>1.5. Approaching service areas for information</p>	<p>1.5 <b>The Information Governance team</b> will assist Members in approaching the Service Areas for information, either through the Members’ Enquiries system or by directing Members to the right source.</p>	<p>1.5 <b>The Customer First Office</b> will assist Members in approaching the Service Areas for information, either through the Members’ Enquiries system or by directing Members to the right source.</p>
	<p><b>Reason for proposed change:</b></p> <ul style="list-style-type: none"> <li>• To reflect the correct arrangements for: - <ul style="list-style-type: none"> <li>○ the resources available to Members</li> <li>○ advice about planning complaints</li> <li>○ approaching service areas for information either via Member enquiry or to the service team direct</li> </ul> </li> </ul>	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> <li>• <b>Legal implications:</b> none</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> none</li> <li>• <b>Human Rights implications:</b></li> </ul>		

none

- **Equalities and Diversity implications:**

None

- **Risk Management implications:**

none

- **Crime and Disorder implications:**

none

- **Environment and Sustainability implications:**

none

**Proposed by:** Carol Girvan

**Service Area:** Customer First Office, Corporate Strategy Directorate

**Contact Tel. No:** 0191 643 8946

**Head of Service sign-off:**

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## General Principles for the use of the Authority's Resources

There are a number of general principles that are applicable irrespective of the type of Authority resource that is being utilised:

- The Authority's resources may only be used in accordance with the Authority's Code of Conduct for Members<sup>12</sup>, this protocol and the law;
- The use of the Authority's resources must always be able to be justified;
- Apply common sense – it is likely to be a good barometer of what is likely to be acceptable and what is not; and
- If you are concerned always seek advice particularly where use could be considered to be on the margins of what is acceptable.

12 The Authority's Code of Conduct for Members states that a Member must, when using or authorising the use by others of the resources of the Authority: "act in accordance with the Authority's requirements".

Further information in relation to the use of the Authority's resources can be found in the guidance note issued to support this protocol.

### Main resources available to Members:

1. The the Governance Service and the Customer First Office
  - 1.1 The Governance Service can provide the following support to members: administrative support, and making travel and conference arrangements. arranges Members' surgeries, including hiring premises, producing booklets and posters to advertise the surgeries.
  - 1.2 The Customer First Office provides a dedicated service for Members making enquiries on behalf of a constituent, business or organisation. The Authority also has a computerised Members' enquiries system through which enquiries on various issues are logged and either investigated by the Customer First Office or referred to a service area for response within particular predetermined time scales.

The Governance Service and Customer First Office cannot provide support for any party political work.

1.3 Officers from the Customer First Office can only undertake work that relates to the Authority's business. Where there is any concern in relation to North Tyneside Council Constitution Part 8.7 – Protocol on Use of the Authority's Resources and Support for Members requests for support and assistance that might be considered to be for political purposes this will be referred to the Monitoring Officer for determination.

#### 1.4 The Members' Support Group

The group acts as a consultative group for matters affecting the Authority's Members and considers the support provided by officers in relevant services throughout the Authority to all elected members of the Authority.

It will also oversee, monitor and help progress delivery of the Member Learning and Development Programme to meet individual and corporate needs and achieve value for money.

It will ensure that all Members are supported so that they are able to deliver the Authority's statutory and corporate obligations, objectives and priorities and provide them with the tools they need to fulfil their roles to the best of their ability for the benefit of the community and the Authority.

The Group is not a formal decision making body, although mutual agreement on issues can be made. In principle, it can only make recommendations that are to be fed into other processes.

## 2. Authority Stationery, Printing/Photocopying and Mail

2.1 It is important to make sure that any stationery provided for Members to use when carrying out their duties as a Member (or a Member of Cabinet, a committee or sub-committee) including headed note paper is used only for those duties and not for other purposes.

2.2 Members are permitted to generally sign their correspondence using their name, their party group membership and their ward. Where a Member holds a particular office or position they may also use the appropriate title, specifically, Mayor, Cabinet Member, Group Leader, Chair or Deputy Chair of a particular committee where appropriate.

2.3 The copyright of photographs taken by the Authority is owned by the Authority. Such photographs may be used in Authority publications and Members wishing to use the photographs may do so only with the agreement of the Authority. To avoid concerns arising that the Authority is providing resources for political publications, on occasions when photographs are provided by Members for use in Authority publications such photographs must not subsequently be used by Members in other publications without the Authority's consent.

2.4 Where Members produce a Ward newsletter for distribution, provided reference to the party group to which the Member belongs is used only with their name and Ward on a single occasion in the newsletter and no other 'banner' reference to a political party is used it is permissible to include the Member's Authority contact details (i.e. the Authority's e mail address, mobile and land line).

## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p style="text-align: center;">Part 3 – Responsibility for functions</p> <p style="text-align: center;">3.3 Responsibility for Council Functions</p>	<p>B42 Power to grant a street works licence.</p> <p>B47 Power to grant permission or provision etc of services, amenities, recreation and refreshment facilities on highway and related powers.</p> <p>B48 Power to permit deposit of builders skip on highway.</p> <p>B49 Duty to publish notice in respect of proposal to grant permission under Section 115(E) of the Highways Act 1980.</p> <p>B50 Power to license planting, retention and maintenance of trees etc... in part of highway.</p>	<p>Need to be moved from Director of Public Health to Director of Regeneration and Economic Development.</p>
	<p><b>Reason for proposed change:</b> Appears to be contradictory to what is in the officer delegation scheme, as the above areas are already under the Director of Regeneration and Economic Development.</p>	

**Implications of proposed change:**

- **Finance and other resource implications:**  
There are no implications
- **Legal implications:**  
There are no implications
- **Consultation/Engagement undertaken (internal and external):**  
There are no implications
- **Human Rights implications:**  
There are no implications
- **Equalities and Diversity implications:**  
There are no implications
- **Risk Management implications:**  
There are no implications
- **Crime and Disorder implications:**  
There are no implications
- **Environment and Sustainability implications:**  
There are no implications

<p><b>Proposed by: Wendy Burke</b> <b>Service Area: Public Health</b> <b>Contact Tel. No: 0191 643 2104</b></p>
<p><b>Head of Service sign-off:</b> (please insert a cross in the box)</p> <div data-bbox="779 336 898 392" style="border: 1px solid black; display: inline-block; padding: 2px 10px;">X</div>

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## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Part 3 Responsibility of Functions, 3.5 Terms of Reference of Council and Committees, C Regulatory and Other Committees, 2. Audit Committee (starting Page 95)</p> <ul style="list-style-type: none"> <li>• Part 8.2 Code of Conduct, Appendix 1, Page 199 states: “ <i>‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Authority with a right to</i></li> </ul>	<p><b>Audit Committee</b> Remove full section and replace with revised wording reflecting reason for proposed change.</p> <p><b>Part 8.2 Code of Conduct, Appendix 1, co-opted member</b> <i>‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Authority with a right to vote but who is not one of its elected members.</i></p>	<p><b>Audit Committee</b> Please see reasons for change which will explain the overarching rationale behind changes. There is also a separate section with proposed new text for the Audit committee section of the Constitution. We have highlighted new additions and revisions in yellow and provided an explanation for this. All other changes are simply re-organisation of existing terms of reference under new sub-headings.</p> <p><b>Part 8.2 Code of Conduct, Appendix 1, co-opted member</b> Aligned to changes for Audit Committee there is a proposed minor change to make clear the distinction between co-opted members in general and for Audit Committee.</p> <p>Proposed wording:</p>

<p><i>vote but who is not one of its elected members”.</i></p>		<p><i>‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Authority with a right to vote but who is not one of its elected members.</i></p> <p><i>There is an exception in respect of co-opted members of Audit Committee who are covered by separate arrangements.</i></p>
	<p><b>Reason for proposed change:</b></p> <ul style="list-style-type: none"> <li>• To address inconsistencies within the Constitution arising from Audit committee being categorised within Regulatory and Other Committees, i.e. there is guidance for such Committees throughout the Constitution which are at odds with much more specific guidance around Audit Committee (see in more detail below).</li> <li>• To bring the terms of reference for Audit Committee in line with sector best practice, i.e. Audit Committees: practical guidance for local authorities and police, 2022 edition (CIPFA).</li> </ul> <p><b>Inconsistencies</b></p> <p>These include the following which will be addressed if we categorise Audit Committee separately.</p> <ul style="list-style-type: none"> <li>• Part 4 Rules of Procedure, 4.3 Regulatory and Other Committees, 6. Agenda, Page 152 state <i>“The Head of Law, where possible in consultation with the Chair and Deputy Chair, will determine the agenda for meetings of committees”</i> The Head of Law plays no part in determining the agenda for Audit Committee.</li> <li>• Part 4 Rules of Procedure, 4.3 Regulatory and Other Committees, 2. Co-opted members, Page 151 states <i>“ The appointment of co-opted Members to any of the committees covered by this section is a matter reserved to the full Council. Committees can make</i></li> </ul>	

*recommendations to the Council on the appointment of co-opted members to the Committee itself and/or any of its sub-committees. In making such recommendations to the Council the Committee will specify the term of office to be applied in each case. The term of office for any appointed co-opted Member can only be extended with the express approval of the Council. Co-opted Members appointed by the Council can attend and speak at meetings of the Committee or sub-committee to which they are appointed but cannot vote”.*

Within existing guidance (Part 3 Responsibility of Functions, C Regulatory and Other Committees, 2. Audit Committee, Terms of Reference, General Information, Page 99) there are clear differences, i.e.

- *“term of office for the co-opted members of the Audit Committee will be two years, with the term of office limited to a maximum of 10 years”*, as opposed to determined by Committee when making a recommendation
  - *“appointment of co-opted members is a matter reserved to the full Council, on the recommendation of the Chief Executive and Section 151 Officer”* as opposed to recommendation by Committee.
  - *“extended with the express approval of the full Council, on the recommendation of the Chief Executive and Section 151 Officer”* which includes a requirement for a recommendation form CX / S151 which isn’t required elsewhere.
- Part 4 Rules of Procedure, 4.3 Regulatory and Other Committees, 12. Voting, Page 154 states: *“If there are equal numbers of votes for and against, the Chair will have a second or casting vote. There will be no restriction on how the Chair chooses to exercise a casting vote”* and Part 8.2 Code of Conduct, Appendix 1, Page 199 states: *“‘Co-opted member’ means any person who is a member of any committee or sub-committee of the Authority with a right to vote but who is not one of its elected members”.*

However, Part 3 Responsibility of Functions, C Regulatory and Other Committees, 2. Audit Committee, Terms of Reference makes it clear that the Co-opted members of Audit Committee will be the Chair and Vice Chair, can attend and speak at meetings of the Committee to which they are appointed but cannot vote. Therefore, the Chair could not have the casting vote.

### Revised wording

#### Audit Committee

Membership – 9 (7 Councillors and 2 non-voting co-opted members)

Quorum – 3

#### Statement of purpose

1. Audit Committee is a key component of the Authority's governance framework. Its purpose is to provide an independent and high-level focus on the adequacy of governance, risk and control arrangements.
2. The Committee's role in ensuring that there is sufficient assurance over governance risk and control gives greater confidence to all those charged with governance that those arrangements are effective.
3. The Committee has oversight of both internal and external audit together with the financial and governance reports, helping to ensure that there are adequate arrangements in place for both internal challenge and public accountability.

#### Terms of Reference

4. To review the Authority's corporate governance arrangements against the good governance framework, including the ethical framework and consider the local code of governance.
5. To monitor the effective development and operation of risk management in the Authority.

6. To monitor progress in addressing risk-related issues reported to the Committee.
7. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
8. To consider reports on the effectiveness of financial management arrangements, including compliance with CIPFA's Financial Management Code. (NEW - REASON: Aligns with good practice code and reflects activity we already do but was not previously referenced in the terms of reference).
9. To consider the Authority's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
10. To review the assessment of fraud risks and potential harm to the Authority from fraud and corruption.
11. To monitor the counter-fraud strategy, actions and resources.
12. To review the governance and assurance arrangements for significant partnerships of collaborations.

### **Financial and governance reporting**

#### **Governance reporting**

13. To review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, including the head of internal audit's annual opinion.  
(NEW - REASON: This explicitly references responsibilities in relation to the Annual Governance Statement which were previously inferred rather than explicit. This also acknowledges the Committee approve the AGS alongside approving the annual accounts).
14. To consider whether the annual evaluation for the AGS fairly concludes that governance arrangements are fit for purpose, supporting the achievement of the authority's objectives.  
(NEW - REASON: as per 13 above)

#### **Financial reporting**

15. To monitor the arrangements and preparations for financial reporting to ensure that statutory requirements and professional standards can be met. (NEW – REASON: This explicitly references good practice and brings ToR in line with this. This is already something we do and no additional ask.)
16. To review and approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Authority.
17. To consider the External Auditor's report to those charged with governance on issues arising from the audit of the accounts. (AMENDMENT – REASON: updated from "To consider the External Auditor's report on the audit of the annual statement of accounts (the audit completion report)". This aligns the wording to best practice and also reflects why Committee do this and who they do it on behalf of).

#### **Arrangements for audit and assurance**

##### External Audit

18. To consider the Authority's framework of assurance and ensure that it adequately addresses the risks and priorities of the Authority.
19. To support the independence of external audit through consideration of the External Auditor's annual assessment of its independence and review of any issues raised by PSAA or the Authority's auditor panel as appropriate.
20. To consider the External Auditor's annual letter, relevant reports and the report to those charged with governance.
21. To consider specific reports as agreed with the external auditor.
22. To comment on the scope and depth of external audit work and to ensure it gives value for money.
23. To consider additional commissions of work from external audit.
24. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

25. To provide free and unfettered access to the audit committee chair for the auditors, including the opportunity for a private meeting with the committee. (NEW – REASON: Aligns with best practice and reflects the fact this has always been the case but not been explicit in ToR)

#### Internal Audit

26. To approve the Internal Audit charter.

27. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

28. To approve the risk-based internal audit plan, including Internal Audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.

29. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

30. To make appropriate enquiries of both management and the Chief Internal Auditor to determine if there are any inappropriate scope or resource limitations.

31. To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Chief Internal Auditor. To approve and periodically review safeguards to limit such impairments.

32. To consider reports from the Chief Internal Auditor on Internal Audit's performance during the year, including the performance of external providers of internal audit services. These will include:

- a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
- b) Regular reports on the results of the Quality Assurance and Improvement Programme.
- c) Reports on instances where the Internal Audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.

33. To consider the Chief Internal Auditor's annual report, including:

- a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that support the statement – these will indicate the reliability of the conclusions of internal audit.
- b) The opinion on the overall adequacy and effectiveness of the Authority’s framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement.

34. To consider summaries of specific internal audit reports as requested.

35. To receive reports outlining the action taken where the Chief Internal Auditor has concluded that management has accepted a level of risk that may be unacceptable to the Authority or there are concerns about progress with the implementation of agreed actions.

36. To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of Internal Audit that takes place at least once every five years.

37. To consider a report on the effectiveness of Internal Audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.

38. To provide free and unfettered access to the Audit Committee Chair for the Chief Internal Auditor, including the opportunity for a private meeting with the Committee.

#### Accountability arrangements

39. To report to Cabinet on the Committee’s findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.

(AMEND – REASON: The ToR previously referenced ‘the Authority’ rather than Cabinet. However, we have historically taken this report to Cabinet and will continue to do so.

40. To report to the Authority on a regular basis on the Committee’s performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

41. To publish an annual report on the work of the Committee, including a conclusion on the compliance with the CIPFA Position Statement. (AMND – REASON: This aligns with best practice and makes it explicit we will “including a conclusion on the compliance with the CIPFA Position Statement”. This does not generate any additional work and is covered within current processes which assess effectiveness of the Committee)

#### General Information

1. Nothing in these terms of reference shall confer upon the Audit Committee the power to regulate or control the finances of the Authority, in order to ensure that section 102(3) of the Local Government Act 1972 is not contravened.
2. The two co-opted members of the Audit Committee will fulfil the roles of Chair and Deputy Chair of the Committee. The term of office for the co-opted members of the Audit Committee will be two years, with the term of office limited to a maximum of 10 years. The appointment of co-opted members is a matter reserved to the full Council, on the recommendation of the Chief Executive and Section 151 Officer.  
(CLARIFICATION – As mentioned previously, co-opted members of Audit Committee are treated differently to other co-opted members. If there is no reference to this difference within proposed changes to Part 8.2 Code of Conduct, Appendix 1 around co-opted members then do we need to reference the distinction here?)
3. The term of office for any appointed co-opted member can only be extended with the express approval of the full Council, on the recommendation of the Chief Executive and Section 151 Officer. Co-opted members appointed by the full Council can attend and speak at meetings of the Committee to which they are appointed but cannot vote.  
(CLARIFICATION: As per 2 above)
4. Members will be required to complete specific training in advance of attending Committee in order to sit as an appointed or substitute member on the Audit Committee.  
(NEW – REASON: Similar requirement currently in place for ‘Regulatory Committees’. However, as Audit Committee is treated separately we are making it explicit this applies to this committee as well.)
5. The Chief Finance Officer, where possible in consultation with the Chair and Deputy Chair, will determine the agenda for meetings of the Audit Committee.

(NEW – REASON: Similar requirement for Regulatory Committees which assign this role to head of legal. We have referenced CFO completing as CIPFA role of CFO includes ensuring there is an effective Audit Committee and agreeing agenda would be part of this.

**Implications of proposed change:**

- **Finance and other resource implications:** There are no financial or resource implications associated with the changes being proposed. This simply addresses inconsistencies and does not create any additional work or structuring of Committee. (Finance to review and confirm?)
- **Legal implications:** There are no legal implications arising from the proposed changes. The changes remove ambiguities in the current Constitution and align our terms of reference more closely to best practice. (Legal to review and confirm?)
- **Consultation/Engagement undertaken (internal and external):** Legal Services and the Director of Resources have been consulted internally. There has been no external consultation / engagement as there is no impact to be considered.
- **Human Rights implications:**  
There are no human rights implications.
- **Equalities and Diversity implications:**  
There are no equality, diversity or inclusion implications.

	<ul style="list-style-type: none"> <li>• <b>Risk Management implications:</b> Failure to implement these changes may lead to ambiguity remaining within the Constitution an potential for challenge.</li>   <li>• <b>Crime and Disorder implications:</b> There are no crime and disorder implications.</li>   <li>• <b>Environment and Sustainability implications:</b> There are no environment and sustainability implications.</li> </ul>
	<p><b>Proposed by: Ian Pattison</b>  <b>Service Area: Internal Audit and Risk</b>  <b>Contact Tel. No: 5378</b></p>
<p><b>Head of Service sign-off:</b>          (please insert a cross in the box)</p>	<p>X – Proposals discussed and signed off in agreement with Jon Ritchie</p>

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<p>4. Thriving Sub-Committee</p> <p><u>Terms of Reference</u></p>	<p>based learning, 14-19 skills, safeguarding, child protection, early years, children's centres, youth offending, preventative services, substance misuse services, looked after children, youth services and play, Connexions, children's health and wellbeing and vocational learning, the Family Friendly Sub-Committee will:</p> <p><b>4. Thriving Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to parks and open spaces, sport and leisure, libraries, arts development, heritage strategy, community centres and voluntary sector support, the Thriving Sub-Committee will:</p>	<p>children have access to a high-quality education, provision of outstanding children's services, events and facilities and ensuring all children are ready for school including poverty proofing the school day, the Family Friendly Sub-Committee will:</p> <p><b>4. Thriving Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to regeneration of the town centres and the Ambition for North Tyneside Regeneration Strategy, destination of choice for visitors, reduction of the number of derelict properties, helping local businesses to grow and making it attractive for new businesses to set up or relocate in the borough, investment in adult education and apprenticeships, delivering a vibrant range of cultural and sporting activities to support the health and wellbeing of residents, and reviewing how the council purchases and contracts for goods and services to maximise value for money, social</p>
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<p>5. Green Sub-Committee</p> <p><u>Terms of Reference</u></p>	<p><b>Green Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to the environment, energy use, climate change, carbon reduction, flood risk management and waste management, transport and the transport network, highways and road safety, safe walking and cycling, the Green Sub-committee will:</p>	<p>value and environmental sustainability, the Thriving Sub-Committee will:</p> <p><b>Green Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to the activity and investment to make North Tyneside Carbon Net-Zero by 2030, increasing the amount of waste that can be recycled and introduce food waste and deposit return schemes, environmental hit squads to crack down on littering, securing funding to help low income households install low-carbon heating, increasing opportunities for safe walking and cycling including the segregated cycleway at the coast, the Green Sub-committee will:</p>
<p>6. Secure Sub-Committee</p> <p><u>Terms of Reference</u></p>	<p><b>Secure Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to housing and community</p>	<p><b>Secure Sub-committee</b></p> <p><u>Terms of Reference</u></p> <p>In relation to working in partnership with</p>

	<p>safety, inequalities, equality and diversity the Secure Sub-Committee will:</p>	<p>Northumbria Police to prevent and tackle all forms of antisocial behaviour, investment of an additional £2m per year for roads and pavements repair, delivery of the Council Tax Support Scheme to support low-income households, tackle health and socio-economic inequalities across the borough through the Poverty Intervention Fund and provision of 5,000 affordable homes, the Secure Sub-Committee will:</p>
<p><b>Reason for proposed change:</b> To align the terms of reference of each of the Scrutiny Committees to the priorities and objectives of the Our North Tyneside Plan 2021-2025 to ensure effective scrutiny is being undertaken and to challenge whether the authority is on track to realise the ambitions in the Our North Tyneside Plan 2021-25. From the current ToR it looks like some policy priorities have not been covered in the remit of the sub-committees including regeneration, jobs creation, procurement, support to vulnerable households.</p>		
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> </ul>		

- **Legal implications:**  
None
- **Consultation/Engagement undertaken (internal and external):**  
None
- **Human Rights implications:**  
None
- **Equalities and Diversity implications:**  
None
- **Risk Management implications:**  
None
- **Crime and Disorder implications:**  
None
- **Environment and Sustainability implications:**  
None

**Proposed by:** Pam Colby

**Service Area:** Policy, Performance and Research – Corporate Strategy and Customer Services

**Contact Tel. No:** 0191 643 7252

**Head of Service sign-off:**

(please insert a cross in the box)

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## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Part 8 Codes and Protocols</p> <p>8.7 Protocol on Use of the Authority's Resources and Support for Members</p> <p>Section 6 Information Technology and other Equipment</p>	<p style="text-align: center;">All to be replaced</p> <p><b>Reason for proposed change:</b></p> <p>The technology landscape has changed considerably from when this was written therefore much of it is no longer applicable.</p>	<p>Attached copy of tracked changes version of full constitution. Changes are only in Section 6</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> Improved control of finance through new process of raising potential costs incurred for personal use</li> <li>• <b>Legal implications:</b> No change</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> Discussed with lead member for IT</li> </ul>		

- **Human Rights implications:**  
None
- **Equalities and Diversity implications:**  
Provision for accessibility adjustments added
- **Risk Management implications:**  
None
- **Crime and Disorder implications:**  
None
- **Environment and Sustainability implications:**  
None

**Proposed by: Daniel Simms**  
**Service Area: Resources - IT**  
**Contact Tel. No: 07852164607**

**Head of Service sign-off:**  
(please insert a cross in the box)

account, the responsibility for the security of that information rests with the Member. In that regard Members should encrypt the information before it is released outside the Authority's secure environment. Please also refer to section 6.6 of the ICT Security Policy regarding the use of email.

~~4.5~~—In order to safeguard against breaches of the legislation, Members should seek advice from the Monitoring Officer before disclosing confidential information. Generally personal information cannot be released without the consent of the person to whom it relates. Improper disclosure can put the Member and the Authority at legal and financial risk.

#### 4.5

### 5. The Authority's Rooms

5.1 Members can use committee rooms and other rooms to help them carry out their duties (for example, to hold meetings with constituents) when they are available.

### 6. Information Technology and other Equipment

6.1 The Authority provides ICT equipment for Members to help them carry out their duties more effectively and efficiently. The Authority will provide support for Members in the operation of Authority supplied equipment so that it can be used to the best effect.

In general terms, a Member can use the equipment providing that it is used in line with the Information Computer Security policy.

Members should note that the Authority has an obligation to investigate misuse of Authority supplied equipment. Indeed any criminal activity would require referral to the Police for investigation. Furthermore, the Authority is required to supply information requested under the Freedom of Information Act and the Data Protection Act that is held by the Authority on its systems. If a request for information is submitted and it appears that information held on the Authority's systems may be disclosable and is held by a Member, the Member will be advised in advance and requested to supply the information. Other information may be held by Officers that has been provided by Members and this may be disclosable subject to statutory exemptions. Members will be advised where any such disclosure is anticipated.

Local Authority data should not be held in private email accounts or on private storage however if data is found to be held in private storage or emails, Members may also be required to search private e-mail accounts these locations and provide information if the Authority's information may be held there and it is not held elsewhere.

Further information on the requirements of the Freedom of Information Act is provided in the guidance that supports this protocol.

6.2 Equipment supplied by the Authority, which includes Authority systems that a Member may access remotely via their own ICT equipment is not available for use for political purposes. The following sets out some basic guidance relating to the use of equipment and systems by Members:

- Equipment and systems supplied by the Authority The Authority's equipment is for work relating to his/her duties as a Member is not to be used for political purposes. -Use of the equipment is exclusive to the Member, it is not for use by other members of their household. Where Members share domestic arrangements joint use of the equipment is permitted. Sharing of user accounts is NOT permitted. Members should use the ICT equipment responsibly.
- It should be noted that Cyber security is a significant risk for all Local Authorities and therefore Members should complete cyber security training provided by the Authority as well as familiarising themselves with the Authority's Information Computer Security Policy
- Each Member will be given a username and password to allow access to computer facilities. These must not be disclosed to another person and use of someone else's credentials is not permitted. The individual Member will be responsible for any consequences arising from the use of the code or password by another person. Each Member will also be required to follow best practice password policies and use Multi Factor Authentication guidance to further secure accounts.

- ~~Any use of ICT equipment must conform with the Authority's Information Computer Security Policy – this can be found on the Authority's Intranet using the following link:~~

~~[http://november.northtyneside.gov.uk:7777/intra/security-policy/secpol\\_ver6.html](http://november.northtyneside.gov.uk:7777/intra/security-policy/secpol_ver6.html)~~

- All IT equipment provided by the Authority to a Member remains the property of North Tyneside Council. At the end of the period as an elected Member, the equipment is to be returned to the Authority in full working condition with all accessories such as chargers and cables. ICT equipment is valuable. Members should act responsibly while equipment is in their possession to prevent loss or damage. take all reasonable care to prevent loss and damage.
- Any loss or damage to equipment must be reported to IT as soon as practical. Members must not attempt to repair equipment themselves.
- No unauthorised software or software not related to Authority business is to be installed or used to carry out Members duties. IT Services is authorised to remove all such software. The copying of licensed software and data is illegal and prohibited. The Authority's security software and Cyber Security Officers may monitor and examine all material stored on its systems or sent across its networks.
- Members should ensure that ~~where if they believe they~~ ICT equipment ~~is has allowed accidentally to be been~~ -used for personal ~~purposes or political purposes~~ and cost has potentially been incurred such as mobile data usage, ~~all personal use~~ this is reported to the Authority via the Chief Information Officer and any costs incurred ~~repaid~~ paid for in accordance with the Authority's ~~procedures~~ promptly.

- When using the computer facilities Members should be conscious of the fact that some information held on the computer systems is confidential and releasing it could lead to legal action being taken against the Member involved or the Authority.
- Members should only use the official Authority e-mail address for Authority business, and should only ask officers to e-mail them Authority information via the Authority e-mail address.
- ~~Each Member will be given a user code and password to allow access to computer facilities. These must not be disclosed to another person. The individual Member will be responsible for any consequences arising from the use of the code or password by another person.~~
- It is important to consider the effect of an e mail message and be careful to avoid sending e mails which could be regarded as vulgar, abusive, sexist, racist, anonymous or likely to damage a person's reputation. If a Member sends any inappropriate e-mail the Authority, may withdraw e-mail facilities. The sender of an email is responsible for the contents of communication and any libellous or defamatory statements.
- Automatic forwarding of Authority emails to personal accounts is strictly prohibited. Emails that are of a personal nature or received of a party political nature can be individually forwarded and then deleted from the Authority arena.

- ~~In relation to the above the Authority's security software automatically monitors and examines material stored on its systems or sent across its networks.~~
- ~~When using the computer facilities Members should be conscious of the fact that some information held on the computer systems is~~

~~confidential and releasing it could lead to legal action being taken against the Member involved or the Authority.~~

- ~~Where Authority information is transferred outside the secure environment of the Authority's ICT systems, for example by sending an email from a Member's Authority email account to a private email account, the responsibility for the security of that information rests with the Member. In that regard Members should encrypt the information before it is released outside the Authority's secure environment. Please also refer to [section 6.6 of the ICT Security Policy regarding the use of email](#) or contact IT for further guidance:~~
- ~~In the use of all Authority systems Members must not purposefully access or transmit any material that:~~
  - ~~Is Offensive, obscene, Defamatory, indecent.~~
  - ~~Is Designed or is likely to cause distress.~~
  - ~~Infringes the copyright of another person~~
- ~~Members must not Transmit any unsolicited, commercial or advertising material to any other person or organisation.~~
- ~~—~~
- ~~Members should ensure that where equipment such as mobile telephones are allowed to be used for personal purposes, all personal use is paid for in accordance with the Authority's procedures.~~

### ~~—6.3 T6.3— ICT Equipment Options:~~

- ~~he authority will support and provide the following technology to support Members to help them carry out their duties more effectively and efficiently: Provision of access to Authority computer systems via:~~
  - ~~Thin Client Device, Monitor & Printer; Authority issued Laptop.~~
  - ~~Thin laptop (no remote printing) & Anytime key-fob; Authority issued smart mobile device~~

- Access to basic Authority communication tools via a Members personal mobile device
- Any accessibility adjustments needed should be highlighted to IT
  - ~~Anytime key-fob to use with own IT equipment;~~
  - ~~Use of a device in Authority premises.~~

~~6.4 — It should be noted that the options for accessing the Authority's computer systems remotely can be combined i.e. if you have a thin laptop you can also access the systems via your own equipment using the key-fob.~~

~~6.5 — Access to Authority systems is through "Anytime Access" (sometimes referred to as "Citrix"). Anytime Access is a secure method of accessing the Authority's systems and also ensures that information and documents are stored in a safe and secure way, and that information is not stored on local drives, for example on personal computers. By using Anytime Access you are not restricted to a particular device, and this therefore enables flexibility to work at different locations. To use this Anytime Access a small piece of client software must be added to your internet browser, this is installed automatically on Authority provided equipment and can be downloaded for use on personal desktops and laptops. It is not permitted to add additional software to Authority provided equipment.~~

~~Provision of a mobile phone:~~

~~Basic mobile phone~~

~~Smart Phone (PDA) – subject to available budget.~~

#### 6.4

~~All of the above options can be demonstrated to Members via workshops.~~

IT Support is provided by IT Services. Contact details are as follows:

- IT Help Desk – 0191 643 5444

- Raising an incident on the IT self service portal using the link on the desktop
- Sending an email to [ict.help@northtyneside.gov.uk](mailto:ict.help@northtyneside.gov.uk) – email must be sent from an Authority email address only.
- Raising an incident on the IT self service portal using the link on the desktop

~~6.7 – The following sets out in table form details of the provision of ICT equipment. The first four columns relate to the provision of Authority ICT equipment. The final column relates to the provision of a keyfob that provides remote access to the Authority's systems via a Member's own ICT equipment.~~

~~6.8 – Members should note that when using their own ICT equipment (which for these purposes includes programmes on Members' own equipment such as e-mail) to undertake their own private business or political activities the restrictions detailed in this protocol and the Information Computer Security Policy do not apply. These restrictions and requirements only apply to a Member where they are accessing remotely the Authority's system via a keyfob and are using their own ICT equipment.~~

<b>Description</b>	<b>Thin Client solution</b>	<b>Thin Laptop solution</b>	<b>Access to kit in Authority premises</b>	<b>PDA/ Smart phone</b>	<b>Keyfob for accessing Authority systems</b>
(1) The equipment is the property of North Tyneside Council.	✓	✓	✓	✓	✓
(2) At the end of the period as an elected Member, the equipment is to be returned to the Authority in full working condition.	✓	✓	✓	✓	✓
(3) The equipment must be installed by an ICT Officer of the Authority.	✓		✓	✓	
(4) Members are required to undergo training provided by the Authority in the use of equipment.	✓	✓	✓	✓	✓
(5) The services, including access to the internet and Email system, are provided for use as a Member only. However, personal use is permitted provided it does not conflict with official business, but political use is not permitted.  Please refer to sections 06 (use of email) and 21 (Use of the Internet) of the Authority’s Information Computer Security policy for more detail.	✓	✓	✓	✓	✓

<del>(6) The installation of software is only carried out by the ICT Service.</del>	✓	✓	✓	✓	✓	✓
<del>(7) No unauthorised software or software not related to Authority business is to be installed. ICT Services is authorised to remove all such software.</del>	✓	✓	✓	✓	✓	✓
<del>(8) The copying of licensed software and data is illegal and prohibited.</del>	✓	✓	✓	✓	✓	✓

<b>Description</b>	<b>Thin Client solution</b>	<b>Thin Laptop solution</b>	<b>Access to kit in Authority premises</b>	<b>PDA/ Smart phone</b>	<b>Keyfob for accessing Authority systems</b>
(9) Software and data files are to be checked for viruses before being loaded on the Authority’s equipment:	✓	✓	✓	✓	✓
(10) Members must not attempt to repair equipment themselves:	✓	✓	✓	✓	✓
(11) It is a Member’s responsibility to save data he or she wishes to keep. All data saved on the corporate network is backed up centrally:	✓	✓	✓		✓
(12) It is a Member’s responsibility to save data he or she wishes to keep and ensure the data is backed up on a memory card. Any device that is used to store confidential, sensitive or personal information must store the information in an encrypted format:				✓	
(13) Members should only use the official Authority e-mail address for Authority business, and should only ask officers to e-mail them Authority information via the Authority e-mail address:	✓	✓	✓	✓	✓

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<p><del>(14) Members are required to sign and keep an up to date inventory of all equipment supplied to them:</del></p>	<p><del>✓</del></p>	<p><del>✓</del></p>	<p><del>✓</del></p>	<p><del>✓</del></p>	<p><del>✓</del></p>
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<b>Description</b>	<b>Thin Client solution</b>	<b>Thin Laptop solution</b>	<b>Access to kit in Authority premises</b>	<b>PDA / Smart phone</b>	<b>Keyfob for accessing Authority systems</b>
<p>(15) Security:</p> <ul style="list-style-type: none"> <li>• Passwords are not to be disclosed to anyone.</li> <li>• The use of someone else’s password is not permitted.</li> <li>• Passwords should conform to recommended formats.</li> </ul> <p>Please refer to section 14 (password Controls) of the Authority’s Information Computer Security policy for more detail.</p>	✓	✓	✓	✓	✓
<p>(16) Members should have regard to the privacy of other Members and should not access another Member’s Authority e-mail or Authority data.</p>	✓	✓	✓	✓	✓
<p>(17) Insurance:</p> <ul style="list-style-type: none"> <li>• The Authority maintains insurance on the equipment provided to Members. However, all reasonable care must be taken to prevent loss and damage so that all items are to be secured as far as practical.</li> </ul>	✓	✓	✓	✓	✓

<ul style="list-style-type: none"> <li>• Portable devices such as thin laptops and smartphones / PDA’s must not be left unattended or unsecured wherever they may be.</li> <li>• Please ensure portable equipment is transported in their carry case and never left on display in a vehicle. Laptops should be carried in the boot of a vehicle where practical.</li> <li>• Any loss or damage to equipment must be reported as soon as possible.</li> </ul>	✓	✓	✓	✓	✓
<p><b>Description</b></p> <p>(18) When returning portable devices such as thin laptops and Smartphones / PDA’s for repairs it shall be returned in the carrying case together with all accessories provided.</p> <p>(19) Information Computer Security Policy:</p>	Thin Client solution	Thin Laptop solution	Access to kit in Authority premises	PDA/ Smart phone	Keyfob for accessing Authority systems
	✓	✓	✓	✓	✓

<p>Members must comply with the Authority’s Information Computer Security Policy. In particular Members’ attention is drawn to the particular sections:</p> <p><del>Section 06 – Use of Email</del></p> <p>The sender of an email is responsible for the communication and does not contain any libellous or defamatory statements:</p> <ul style="list-style-type: none"><li>• <del>Automatic forwarding of Authority emails to personal accounts is prohibited. Emails that are of a personal nature or received of a party political nature can be individually forwarded to be dealt with away from the Authority arena. Members should encrypt emails before they are released outside the Authority’s secure environment.</del></li><li>• <del>Under no circumstances should an Authority email address have an auto-forwarding facility set up to forward all emails to an external / personal email account.</del></li></ul>				
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<b>Description</b>	<b>Thin Client solution</b>	<b>Thin Laptop solution</b>	<b>Access-to-kit in Authority premises</b>	<b>PDA/ Smart phone</b>	<b>Keyfob for accessing Authority systems</b>
<p>Section 21 – use of the Internet: Users must not:</p> <ul style="list-style-type: none"> <li>Access or transmit any offensive, obscene or indecent images:</li> <li>Receive or transmit material that is designed or is likely to cause inconvenience or distress:</li> <li>Create, receive or transmit any defamatory material:</li> <li>Transmit any material that infringes the copyright of another person:</li> <li>Transmit any unsolicited, commercial or advertising material to any other person or organisation:</li> <li>Members should note that references to email here include sms text messages and that rules about the internet apply to access via mobile phones, or any other mobile device, PC or Thin Client device:</li> </ul>					

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<p><del>(20) If a Member has chosen to use his or her own PC or other IT device, the Authority will provide software for Authority business via remote access facilities (keyfob). At the end of the period as an elected Member, access will be revoked and the keyfob returned to the Authority.</del></p>					
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5. Chair	The Chair and Deputy Chair of the Board will be appointed by the Council	<p>Director of Childrens Services  a representative of the NHS North East and North Cumbria Integrated Care Board  a representative of Healthwatch North Tyneside</p> <p>The Chair and Deputy Chair of the Board will be appointed by the <b>Elected Mayor</b></p>
		<p><b>Reason for proposed change:</b></p> <p>To update the constitution to reflect the correct member representation and appointment to the Health and Wellbeing Board. Also to reflect the correct agenda setting process.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no financial or resource implications</li> <li>• <b>Legal implications:</b> None</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> Not necessary as the changes are in relation to updating old and out of date information</li> </ul>		

	<ul style="list-style-type: none"><li>• <b>Human Rights implications:</b> None</li> <li>• <b>Equalities and Diversity implications:</b> None</li> <li>• <b>Risk Management implications:</b> None</li> <li>• <b>Crime and Disorder implications:</b> None</li> <li>• <b>Environment and Sustainability implications:</b> None</li></ul>
	<p><b>Proposed by: Wendy Burke Director of Public Health</b> <b>Service Area: Public Health</b> <b>Contact Tel. No: 0191 6432104</b></p>
	<p><b>Head of Service sign-off:</b> (please insert a cross in the box)</p> <div data-bbox="779 999 898 1054" style="border: 1px solid black; width: 53px; height: 35px; display: inline-block; text-align: center; vertical-align: middle;">x</div>

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## Constitution and Associated Documents – Proposed Changes

### Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>4.1 Council Rules and Procedure</p> <p>13. Voting (3)</p>	<p>(3) Unless a ballot or recorded vote is demanded, the Chair will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting. The Chair will announce the numerical result of the show of hands immediately after the result is known.</p>	<p>(3) Where technology allows, votes at Full Council will be captured by electronic voting system and shared verbally and visually with Council. If the electronic voting system is unavailable, this will be announced to the meeting and votes will be taken by the Chair taking the vote by show of hands, or if there is no dissent, by the affirmation of the meeting. The Chair will announce the numerical result of the show of hands immediately after the result is known</p>
	<p><b>Reason for proposed change:</b></p> <p>To embrace the use of digital technology which is a preference to members of the council to stop the need for a motion from the floor to have a named vote in order to enable electronic voting. We should assume that this is our primary method when available and fall back to traditional means where this service is either not setup or is experiencing difficulties.</p>	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no implications</li> </ul>		

- **Legal implications:**

There are no legal implications and reflects what is in effect taking place currently at Council meetings. The proposed change will avoid the need for a Member calling for an electronic vote and requiring a seconder. The suggested wording to the Constitution has been slightly amended because the Constitution is not written in the first person.

- **Consultation/Engagement undertaken (internal and external):**

There are no implications

- **Human Rights implications:**

- **Equalities and Diversity implications:**

There are no implications

- **Risk Management implications:**

- **Crime and Disorder implications:**

There are no implications

- **Environment and Sustainability implications:**

There are no implications

**Proposed by: Councillor Anthony McMullen**

**Service Area: Members / Finance & Resources**

**Contact Tel. No:**

**Head of Service sign-off:**

(please insert a cross in the box)

Constitution and Associated Documents – Proposed Changes

Constitution

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Part 1 Summary and Explanation – 1 The Authority’s Constitution</p> <p>Part 3 Responsibility for Functions</p> <p>3.1 Introduction</p> <p>Article 16: Review and Revision of the Constitution</p>	<p>The Constitution is reviewed annually...</p> <p>This part of the Constitution will be reviewed yearly, as part of the annual review of the Constitution, to ensure it is up to date.</p>	<p>The Constitution is reviewed <b>at least</b> annually...</p> <p>This part of the Constitution will be reviewed <b>at least</b> yearly, as part of the annual review of the Constitution, to ensure it is up to date. <b>In addition, in year reviews of the Constitution will take place when required, with proposals being considered by Constitution Task Group in the usual way, who will agree which proposals will then be reported to a meeting of full Council for decision.</b></p>
<p><b>Reason for proposed change:</b></p> <p>Article 16 of Version 27 of the Constitution already states that “The Constitution will be reviewed <i>at least</i> annually”. The changes to the paragraphs above are in keeping with that wording and will allow in-year changes to the Constitution to be proposed to Constitution Task Group. If agreed, those in-year proposals can then be reported to in-year meetings of full Council for a decision.</p>		

	<p>This will allow timely changes to be made to the Constitution, and ensure that the Constitution can keep pace with changes required between annual Council meetings. It will also help to pace work associated with the upkeep of the Constitution more evenly throughout the year.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"><li>• <b>Finance and other resource implications:</b> None</li><li>• <b>Legal implications:</b> None</li><li>• <b>Consultation/Engagement undertaken (internal and external):</b> None</li><li>• <b>Human Rights implications:</b> None</li><li>• <b>Equalities and Diversity implications:</b> None</li><li>• <b>Risk Management implications:</b> None</li><li>• <b>Crime and Disorder implications:</b> None</li></ul>	

	<ul style="list-style-type: none"><li>• <b>Environment and Sustainability implications:</b> None</li></ul>
	<p><b>Proposed by:</b>Allison Mitchell <b>Service Area:</b>Head of Governance <b>Contact Tel. No:</b> 0191 643 5720</p>
	<p><b>Head of Service sign-off:</b> <input data-bbox="779 469 898 528" type="checkbox"/> X (please insert a cross in the box)</p>

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### Constitution and Associated Documents – Proposed Changes

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
Contract standing orders Whole document	All references to Strategic Commercial and Procurement Manager	Head of Commercial Services
	<b>Reason for proposed change:</b> To reflect current organisational structure	
Contract standing orders: Whole document	All reference to Strategic Procurement Team	To be replaced Procurement Team
	<b>Reason for proposed change:</b> To reflect current organisational structure	
Contract standing orders, Section 4a	Ensuring that the Council complies with EU Procurement Regulations, UK Legislation and Standing Orders;	Ensuring that the Council complies with UK Legislation and Standing Orders;
	<b>Reason for proposed change:</b> To remove reference to EU Procurement Regulations which no longer apply in the UK.	
Contract standing orders: Section 5 (2) c	Ensure that the re-contracting of goods and services are initiated, in a timely manner, in accordance with EU procurement regulations, UK legislation, Contract Standing Orders and associated codes of practice.	Ensure that the re-contracting of goods and services are initiated, in a timely manner, in accordance with UK legislation, Contract Standing Orders and associated codes of practice.

	<p><b>Reason for proposed change:</b> To remove reference to EU Procurement Regulations which no longer apply in the UK.</p>	
<p>Contract standing orders: New paragraph at Section 6 (1)</p>	New section 6 (1) h to be added	h. Consult the Chief Information Officer where changes to or new IT systems/hardware or software are procured.
	<p><b>Reason for proposed change:</b> To ensure compatibility with current systems, data protection and cyber security.</p>	
<p>Contract standing orders New paragraph at Section 7</p>	New Section 7 (3) to be added	(3) Consult with the Chief Information Officer where there are any IT requirements.
	<p><b>Reason for proposed change:</b> To ensure compatibility with current systems, data protection and cyber security.</p>	
<p>Contract standing orders New paragraphs at Section 8 (6)</p>	Further exemptions to be added as items n to u.	<p>n. Musical artists</p> <p>o. Rent and property lease payments</p> <p>p. Contracts with the Integrated Care Board</p> <p>q. Grant funding awards</p> <p>r. Settlement agreements</p> <p>s. Payment of s106 funding</p>

		<p>t. Adoption agency fees</p> <p>u. Postage costs</p>
	<p><b>Reason for proposed change:</b> To comply with current best practice.</p>	
Contract standing orders Section 8 (8)	ICT contracts to £100,000 per annum where this is the purchase of licencing, software or a single source supplier at the discretion of the Strategic Commercial and Procurement Manager in consultation with the Chief Information Office.	ICT contracts to a value of £100,000 over the life of the contract where this is the purchase of licencing, software or a single source supplier at the discretion of the Strategic Commercial and Procurement Manager in consultation with the Chief Information Officer.
	<p><b>Reason for proposed change:</b> To ensure value for money.</p>	
Contract standing orders Section 10 (2)	Where a framework agreement has an estimated maximum contract value over its lifetime above the relevant EU threshold prevailing from time to time, the procurement and award of the framework agreement will be subject to EU procurement rules, and the duration of the framework must not exceed four years unless there are exceptional circumstances.	Where a framework agreement has an estimated maximum contract value over its lifetime above the relevant UK threshold prevailing from time to time, the procurement and award of the framework agreement will be subject to UK procurement rules, and the duration of the framework must not exceed four years unless there are exceptional circumstances.

	<p><b>Reason for proposed change:</b> To remove reference to EU thresholds and procurement rules which no longer apply in the UK and replace with the UK equivalent.</p>	
Contract standing orders Section 21 (1)	<p>All contracts shall contain such standard terms and conditions that shall be approved or required from time to time by the Head of Law in consultation with the, Strategic Commercial and Procurement Manager. All contracts exceeding £50,000 in value will be in a form to be approved by the Assistant Chief Executive.</p>	<p>All contracts shall contain such standard terms and conditions that shall be approved or required from time to time by the Head of Law in consultation with the Strategic Commercial and Procurement Manager. All contracts exceeding £50,000 in value will be in a form to be approved by the Head of Law.</p>
	<p><b>Reason for proposed change:</b> To reflect current organisational structure</p>	
Contract standing orders Appendix 1, Section 3.2	<p>Ten days Public Notice may be given on the Council's website and electronic tendering system and where appropriate, if the estimated value of the contract exceeds EU service threshold limits, in one or more newspapers or journals circulating among such organisations who undertake such contracts, setting out details of the proposed contract, inviting tenders and stating the last date on which tenders will be received.</p>	<p>Ten days Public Notice may be given on the Council's website and electronic tendering system and where appropriate, if the estimated value of the contract exceeds UK service threshold limits, in one or more newspapers or journals circulating among such organisations who undertake such contracts, setting out details of the proposed contract, inviting tenders and stating the last date on which tenders will be received.</p>
	<p><b>Reason for proposed change:</b> To remove reference to EU thresholds and procurement rules which no longer apply in the UK and replace with the UK equivalent.</p>	

<p>Contract standing orders – New Section after Section 9</p>	<p>New section to be inserted after Section 9 and become Section 10.</p> <p><b>Note: All subsequent sections to be renumbered accordingly.</b></p>	<p><b>10. Provider Selection Regime</b></p> <p>The Provider Selection Regime will apply specifically when the Council procures health care services.</p> <p>A ‘health service’ is defined in section 275(1) of the National Health Service Act 2006 as the health service, continued under section 1(1) of the 2006 Act. Section 1(1) refers to:</p> <p>“Comprehensive health service designed to secure improvement in the physical and mental health of the people of England, and in the prevention, diagnosis and treatment of physical and mental illness.”</p> <p>When applying the PSR regime the Council must act with a view to all of the following:</p> <ul style="list-style-type: none"> <li>• securing the needs of the people who use the services</li> <li>• improving the quality of the services</li> <li>• improving efficiency in the provision of the services.</li> </ul> <p>The Head of Commercial Services in consultation with the Head of Law shall determine which contracts are subject to the</p>
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		<p>PSR regime.</p> <p>The Head of Commercial Services in consultation with the Head of Law shall determine the most appropriate award process for contracts which are subject to the PSR regime.</p> <p>The Head of Law shall keep records of all decisions made in relation to contract awards pursuant to the PSR regime.</p> <p>Guidance and flow charts are set out in appendix 6 in relation to the PSR regime.</p>
	<p><b>Reason for proposed change:</b> Changes to procurement regulations in relation to health services resulting in the introduction of the 'Provider Selection regime'.</p>	
<p>Contract standing orders – New Appendix</p>	<p>Creation of Appendix 6 – Provider Selection Regime Toolkit</p>	<p><i>See attached document.</i></p>
	<p><b>Reason for proposed change:</b> Changes to procurement regulations in relation to health services resulting in the introduction of the 'Provider Selection regime'.</p> <p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no direct financial implications from the proposed changes.</li> <li>• <b>Legal implications:</b> There are no direct legal implications from the proposed changes set out above.</li> </ul>	

- **Consultation/Engagement undertaken (internal and external):** Consultation has been carried out with the relevant officers as part of agreeing the changes outlined above.
- **Human Rights implications:** There are no Human Rights implications directly arising from this proposed change.
- **Equalities and Diversity implications:** There are no Equality and Diversity implications directly arising from this proposed change.
- **Risk Management implications:** There are no Risk Management implications directly arising from this proposed change.
- **Crime and Disorder implications:** There are no Crime and Disorder implications directly arising from this proposed change.
- **Environment and Sustainability implications:** There are no Environment and Sustainability implications directly arising from this proposed change.

**Proposed by:** Sarah Heslop  
**Service Area:** Commercial Services  
**Contact Tel. No:** 0191 643 5456

**Director sign-off:**  
(please insert a cross in the box)

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**PROVIDER SELECTION REGIME TOOLKIT**

**Direct Award Process A – PROCESS MAP**

Circumstance description	1. Planning phase			
Direct award process A	Conflict of interest management established	Scope	Is this provider selection process appropriate?	Make a decision and keep records
<p>Direct award process A</p> <p>There is an existing provider for the services and that provider is the only capable provider.</p>	<p>Ensure conflicts of interests (CoI) are managed in line with Regulation 21 and with the RA's wider CoI policy.</p>	<p>Ensure that the service being arranged is in scope of the PSR i.e. that the services are health care services or can be procured under the PSR as a mixed procurement as set out in Regulation 3.</p>	<p>This process must be used when the type of service means that the services are capable of being provided only by the existing provider due to the nature of those services.</p> <p>Questions to consider:</p> <ul style="list-style-type: none"> <li>• Is there an existing provider or group of providers?</li> <li>• Does the nature of the service mean that there is no realistic alternative to the current provider or group of providers?</li> </ul> <p>Direct award process A must not be used:</p> <ul style="list-style-type: none"> <li>• to award a (new) contract for a newly established service</li> <li>• to conclude a framework agreement or to award a contract based on a framework agreement.</li> </ul>	<p>Relevant authorities must make and keep clear records detailing their decision making process and rationale for direct award process A, as set out in the Regulations.</p> <p>The information that should be recorded is outlined in Tab 3.</p>

**Direct Award Process A – PROCESS MAP**

2. Approval to proceed	3. Award contract and communicate final decision	
<p><b>Review information and seek approval</b></p>	<p><b>Award contract</b></p>	<p><b>Transparency - Confirmation of Award</b></p>
<p>Ensure that a recommendation to award a contract is approved internally through all of the relevant authority's governance processes. How this should be done is not set out in the Regulations.</p>	<p>Award contract to provider or group of providers.</p>	<p>The relevant authority must publish a confirmation of award on the Find a Tender Service (FTS) website within 30 days of the contract being awarded. The information that is required to be published is set out in Schedule 2 of the Regulations.</p> <p>What information needs to be published is set out in the FTS guide.</p>

**Direct Award Process B – PROCESS MAP**

Circumstance description	1. Planning phase			
Direct award process B	Conflict of interest management established	Scope	Is this provider selection process appropriate?	Make a decision and keep records
<p>Direct award process B</p> <p>Where patients have a choice of providers and the number of providers is not restricted by the relevant authority.</p>	<p>Ensure conflicts of interests (CoI) are managed in line with Regulation 21 and with the RA's wider CoI policy.</p>	<p>Ensure that the service being arranged is in scope of the PSR i.e. that the services are health care services or can be procured under the PSR as a mixed procurement as set out in Regulation 3.</p>	<p>This process must be used when patients have a choice of providers and the number of providers is not restricted by the relevant authority.</p> <p>Questions to consider:</p> <ul style="list-style-type: none"> <li>• Do patients have a choice of providers that is not restricted by the relevant authority (i.e. no provider selection is taking place)?</li> <li>• Are there arrangements in place to enable providers to express an interest in providing the services?</li> <li>• Does the provider meet all requirements in relation to the provision of the health care services to patients?</li> </ul> <p>Direct award process B cannot be used:</p> <ul style="list-style-type: none"> <li>• to conclude a framework agreement or to award a contract based on a framework agreement</li> <li>• to establish a pool of providers where there is a limited number of providers available</li> </ul> <p>Relevant authorities must consider the exclusions in Regulation 20 and apply as appropriate.</p>	<p>Relevant authorities must make and keep clear records detailing their decision making process and rationale for direct award process B, as set out in the Regulations.</p> <p>An example of how to record evidence, and what information to record, is outlined in Tab 3</p>

**Direct Award Process B – PROCESS MAP**

2. Approval to proceed	3. Award contract and communicate final decision	
<b>Review information and seek approval</b>	<b>Award contract</b>	<b>Transparency - Confirmation of Award</b>
<p>Ensure that a recommendation to award a contract is approved internally through all of the relevant authority's governance processes. How this should be done is not set out in the Regulations.</p>	<p>Award contract to provider or group of providers.</p>	<p>The relevant authority must publish a confirmation of award on the Find a Tender Service (FTS) website within 30 days of the contract being awarded. The information that is required to be published is set out in Schedule 2 of the Regulations.</p>

**Direct Award Process C – PROCESS MAP**

Circumstance description	1. Planning phase		
Direct award process C	Conflict of interest management established	Scope	Is this provider selection process appropriate?
<p><b>Direct award process C</b></p> <p><b>The existing provider is satisfying the existing contract and likely to satisfy the new contract, and the proposed contracting arrangements are not changing considerably from the existing contract.</b></p>	<p>Ensure conflicts of interests (Col) are managed in line with Regulation 21 and with the RA's wider Col policy.</p>	<p>Ensure that the services being arranged are in scope of the PSR i.e. that the services are health care services or can be arranged under the PSR as part of a mixed procurement as set out in Regulation 3.</p>	<p>Direct award process C may be used when:</p> <ul style="list-style-type: none"> <li>• the relevant authority is not required to use direct award processes A or B</li> <li>• the term of an existing contract is due to expire and the relevant authority is proposing a new contract to replace that existing contract at the end of its term</li> <li>• the proposed contracting arrangements are not changing considerably from the existing contract</li> <li>• the relevant authority is of the view that the existing provider is satisfying the existing contract to a sufficient standard, according to the detail outlined in the contract, and also taking into account the key criteria and applying the basic selection criteria</li> <li>• the relevant authority is of the view that the existing provider will likely satisfy the proposed contract to a sufficient standard taking into account the key criteria and applying the basic selection criteria</li> </ul> <p>direct award process C cannot be used:</p> <ul style="list-style-type: none"> <li>• to conclude a framework agreement or to award a contract based on a framework agreement</li> </ul>

## Direct Award Process C – PROCESS MAP

### 1. Planning phase (continued)

Establish that the proposed contracting arrangements are not changing considerably

The threshold for considerable change is met (and therefore direct award process C cannot be followed)

if:

a) it renders the proposed contracting arrangements materially different in character to the existing contract when that existing contract was entered into

or:

b) it meets all the following:

- the change, (to the proposed contracting arrangements as compared with the existing contract), is attributable to a decision made by the relevant authority
- the lifetime value of the proposed new contract is at least £500,000 higher (i.e., equal to or exceeding £500,000) than the lifetime value of the existing contract when it was entered into
- the lifetime value of the proposed new contract is at least 25% higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into.

The considerable change threshold is not met (and direct award process C can be followed) where either:

- The material difference in character from the existing contract applies solely as a result of a change in the identity of the provider due to succession into the position of provider following corporate changes (e.g., takeover, merger) and the value elements of the considerable change threshold are not met.

OR

- The proposed contracting arrangements are not materially different in character to the existing contract when that existing contract was entered into, and the following three points all apply:

- the changes in the relevant health care services to which the proposed contracting arrangements relate (compared with the existing contract) are attributable to a decision of the relevant authority; however, that decision had to be made due to external factors beyond the control of the relevant authority or the provider, such as changes in patient or service user volume or changes in prices in accordance with a formula provided for in the contract document
- the lifetime value of the proposed contracting arrangement is £500,000 or higher than the lifetime value of the existing contract when it was entered into
- the lifetime value of the proposed new contract is 25% or higher (i.e., equal to or exceeding 25%) than the original lifetime value of the existing contract when it was entered into).

### 2. Establish the existing is doing and can continue to do a good job

Decide on the relative importance of each of the key criteria for the service

Existing provider assessment of performance against the key criteria

The relevant authority must decide on the relative importance of each of the key criteria based on what they are seeking to achieve from the service. All key criteria must be considered.

This can be done, for example, through:

- prioritising criteria
- balancing criteria
- weighting criteria

Example of how to record evidence for the service are in Tab 3.

The relevant authority must be of the view that the existing provider is satisfying the existing contract to a sufficient standard. They may do this by assessing the performance of the provider against any key performance indicators and by taking into account the key criteria and applying the basic selection criteria.

The relevant authority must also be of the view that the existing provider will likely satisfy the proposed contract to a sufficient standard taking into account the key criteria and applying the basic selection criteria.

Relevant authorities must document how the provider has been assessed against the key criteria.

An example of how to record evidence for the provider assessment are in Tab 3.

## Direct Award Process C - PROCESS MAP

3. Make a decision, keep records, and seek approval to proceed		4. Notify the market		
Make recommendation to award to incumbent provider	Review information and seek approval	Transparency - Intention to Award Notice	Observe the standstill period and review decisions	Review by the PSR review panel
<p>Based on the assessment and the evidence collected, the relevant authority must confirm that a contract can be awarded under direct award process C.</p>	<p>Ensure that a recommendation to award a contract is approved internally through all of the relevant authority's governance processes. How this should be done is not set out in the Regulations.</p>	<p>The relevant authority must publish an intention to award notice on the Find a Tender Service (FTS) website. The information that is required to be published is set out in Schedule 3 of the Regulations.</p> <p>Publication of the intention to award a contract notice triggers the start of the standstill period, which must be observed by the relevant authority (see next step).</p> <p>Relevant authorities can use the FTS guide to help them fill in the correct forms on FTS.</p> <p>Example of how to record Decision Making evidence is in Tab 4.</p>	<p>The standstill period begins on the day after the notice of intention to award or conclude is published. A written representation can be made before midnight at the end of the eighth working day after the day the standstill period begins.</p> <p>If no representations are received before midnight at the end of the eighth working day after the day the standstill period begins, then the standstill period can come to an end and the relevant authority can proceed to award the contract.</p> <p>If a representation is received before midnight at the end of the eighth working day after the day the standstill period begins, the standstill period continues until the relevant authority has completed a review of their initial decision, communicated their findings and further decision to the provider, and concluded it is ready to award the contract or that it wishes to return to an earlier step in the process, or abandon the process.</p> <ul style="list-style-type: none"> <li>• If a representation is received, the relevant authority must communicate the decision described in the step above promptly, in writing, with reasons, and in any event they must give five working days' notice before the end of the standstill period, to:             <ul style="list-style-type: none"> <li>- the provider that made the representation,</li> <li>- the provider to which the relevant authority intended at the beginning of the standstill period to award the contract,</li> <li>- or all providers with which the relevant authority intended at the beginning of the standstill period to conclude the framework agreement.</li> </ul> </li> </ul> <p>Detailed information about how to deal with representations can be found in the statutory guidance.</p>	<p>Where:</p> <ul style="list-style-type: none"> <li>• the relevant authority decided to continue with the award of the contract to the selected provider</li> <li>• communicated this decision to the provider that raised representations</li> <li>• the provider remained unsatisfied about the response given by a relevant authority to their representations</li> </ul> <p>then that provider may seek the involvement of the Independent Patient Choice and Procurement Panel (the panel).</p> <p>If the provider submits a request for advice from the panel, the relevant authority will be notified, and the relevant authority should (unless in exceptional circumstances):</p> <ul style="list-style-type: none"> <li>• keep the standstill period open for the duration of the panel's review</li> <li>• make a further decision once it has considered the independent expert advice of the panel.</li> </ul> <p>The relevant authority may choose to proceed with the contract award to their selected provider, return to an earlier step in the process, or abandon the process.</p> <p>Detailed information about how to deal with representations can be found in the statutory guidance.</p>

**Direct Award Process C – PROCESS MAP**

<b>5. Award contract and communicate final decision</b>	
<b>Award contract</b>	<b>Transparency – Confirmation of Award Notice</b>

<p>Award contract to provider or group of providers (if this was the decision following the standstill period).</p>	<p>The relevant authority must publish a confirmation of award on the Find a Tender Service (FTS) website within 30 days of the contract being awarded. The information that is required to be published is set out in Schedule 4 of the Regulations.</p> <p>What information needs to be published is also set out in Tab 4.</p>
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**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">9. Director of Regeneration and Economic Development</p> <p align="center">Planning Application Exceptions</p> <p align="center">RED 12</p>	<p>Determine applications, notifications, consultations, discharge of conditions, screening and scoping requests, enforcement and all other matters within the terms of the Planning Committee (please see Part 3.5 of the Constitution) and in respect of High Hedge complaints under Part 8 of the Anti-Social Behaviour Act 2003, subject to the exceptions specified below:</p> <p>a) Applications (other than those for the discharge and variation of conditions and extensions of time not including the discharge of reserved matters) for major development as defined for the purposes of the government PS2 statistical return i.e.:</p> <ul style="list-style-type: none"> <li>• residential development of 10 or more dwellings or, where numbers not specified, the site area is more than 0.5 hectares;</li> </ul>	<p>Determine applications, notifications, consultations, discharge of conditions, <b>approval of Biodiversity Gain Plans</b>, screening and scoping requests, enforcement and all other matters within the terms of the Planning Committee (please see Part 3.5 of the Constitution) and in respect of High Hedge complaints under Part 8 of the Anti-Social Behaviour Act 2003, subject to the exceptions specified below:</p> <p>a) Applications (other than those for the discharge and variation of conditions and extensions of time not including the discharge of reserved matters) for major development as defined for the purposes of the government PS2 statistical return i.e.:</p> <ul style="list-style-type: none"> <li>• residential development of 10 or more dwellings or, where numbers not specified, the site area is more than 0.5 hectares;</li> <li>• other development where the floor space is</li> </ul>

	<ul style="list-style-type: none"> <li>• other development where the floor space is 1000 sq metres or more or the site is 1 hectare or more; and</li> <li>• where a major development is subject to a change of use, it will be classed as a major development and not as a change of use.</li> </ul> <p>and where the Authority has received an objection from any statutory consultee or representations arising from the statutory consultation</p> <p><b>further text to remain unchanged</b></p>	<p>1000 sq metres or more or the site is 1 hectare or more; and</p> <ul style="list-style-type: none"> <li>• where a major development is subject to a change of use, it will be classed as a major development and not as a change of use;</li> </ul> <p>and where the Authority has received an objection from any statutory consultee or <b>any objections</b> arising from the statutory consultation</p> <p><b>further text to remain unchanged</b></p>
<p><b>Reason for proposed change:</b></p> <ol style="list-style-type: none"> <li>1) New legislation (Schedule 7A of the Town and Country Planning Act 1990 (as inserted by Schedule 14 of the Environment Act 2021)), effective from 12 February 2024, requires developers to deliver a 10% biodiversity for most new developments. Every permission granted will be deemed to have been granted subject to a condition requiring a biodiversity gain plan to be submitted and approved. The scheme of delegation requires amendment to ensure compliance with this specific condition can be approved by officers.</li> <li>2) A change was made to the scheme in 2023. This aimed to remove the requirement for all planning applications falling within the definition of ‘major’ to be reported to the</li> </ol>		

Planning Committee for determination, even when no objections have been received from statutory consultees and no representations have been received as a result of the statutory consultation period as this was leading to a number of uncontentious planning applications being presented to Committee where they were approved with the officer recommendation without presentation or discussion. However, in making the amendment there was not a consistent approach to objections and representations meaning that in some cases a major application is still required to be reported to the Committee where representations arising from statutory consultation are supportive. This amendment would mean major applications would come to the Committee where there was an objection from a statutory consultee or arising from statutory consultation. This remains consistent with the approach adopted in many neighbouring local authorities. Should the Director consider that an application should be determined by the Planning Committee the matter would be reported to the Chair of the Committee to decide.

**Implications of proposed change:**

- **Finance and other resource implications:**

The proposed change to the Officer Delegation Scheme will ensure appropriate delegation is in place to respond to Biodiversity Gain Plans and reduce the amount of time officers and members spend in preparing and considering reports on uncontentious planning applications and will provide a more efficient and streamlined process.

- **Legal implications:**

The Planning Committee and the Director of Regeneration and Economic Development both exercise the Authority's power to determine applications for planning permission under Sections 70(1)(a) and (b) and 72 of the Town and

Country Planning Act 1990.

- **Consultation/Engagement undertaken (internal and external):**

The Chair of the Planning Committee, Councillor Samuel, has indicated that he agrees with the proposed change.

- **Human Rights implications:**

There are no human rights implications.

- **Equalities and Diversity implications:**

There are no equalities and diversity implications.

- **Risk Management implications:**

The risks associated with the revised delegation remain unchanged.

- **Crime and Disorder implications:**

There are no crime and disorder implications.

- **Environment and Sustainability implications:**

There are no implications in terms of the environment or sustainability.

**Proposed by: Jackie Palmer**

**Service Area: Planning**

**Contact Tel. No: 643 6336**

Head of Service sign-off:

A handwritten signature in black ink, appearing to read 'John Sparkes', with a long horizontal line extending to the right.

**John Sparkes**  
**Director of Regeneration and Economic Development**

(please insert a cross in the box)

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Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Officer Delegation Scheme</p> <p>9. Director of Regeneration and Economic Development</p>	<p>None – this is a new addition</p>	<p>RED 28 ss) Any other functions, including Highway Authority functions under the Highways Act 1980 except those functions not capable of such delegation.</p> <p>RED## To exercise all functions under the Road Traffic Act 1988 except those functions that are not capable of such delegation.</p>
<p><b>Reason for proposed change:</b></p> <p>This amendment will enable the Director of Regeneration and Economic Development to take responsibility for and delegate as he considers appropriate all existing and new Highways Act 1980 functions. The Highways Act is a substantial piece of legislation and has been amended over the years and is likely to be further amended. Having this delegation will enable functions that are not specifically referred to in the Delegation Scheme to be dealt with by the Director without having to rely on General Delegation 6 if there is a need to exercise a Highways Act power that is “missing” from the Delegation Scheme.</p> <p>The proposed amendment to the Delegation Scheme in relation to the Road Traffic Act 1988 will also enable the Director of Regeneration and Economic Development to exercise all functions under this legislation which is also a substantial piece of legislation without fear that if a section, or a new section of the Act added by subsequent legislation, is not</p>		

	included in the Scheme, it can be dealt with by the Director without having to rely on General Delegation 6.
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no direct financial implications arising from the proposed change.</li> <li>• <b>Legal implications:</b> The proposed amendments to the Delegation Scheme offer a pragmatic approach to dealing with evolving pieces of legislation that if amended, can be properly dealt with by the Director without having to rely on a General Delegation.</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> Internal – with Legal colleagues</li> <li>• <b>Human Rights implications:</b> No relevant implications</li> <li>• <b>Equalities and Diversity implications:</b> No relevant implications</li> <li>• <b>Risk Management implications:</b> No relevant implications as delegated decisions would be carried out through the formal decision-making process</li> <li>• <b>Crime and Disorder implications:</b></li> </ul>	

	<p>No relevant implications</p> <ul style="list-style-type: none"><li>• <b>Environment and Sustainability implications:</b> No relevant implications</li></ul>
	<p><b>Proposed by:</b> Andrew Flynn <b>Service Area:</b> Regeneration and Economic Development <b>Contact Tel. No:</b> 0191 643 6083</p>
	<p><b>Head of Service sign-off:</b> (please insert a cross in the box)</p> <div data-bbox="797 603 913 659" style="border: 1px solid black; display: inline-block; padding: 2px 10px;">X</div>

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Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">Section 8 Director of Public Health Specific function  DPH28</p>	<p>DPH 28 To consultation with the Head of Law to exercise discretion to determine whether prosecution of alleged offences under trading standards and consumer protection legislation and related environmental protection and anti-social behaviour legislation following formal investigations should be undertaken.</p>	<p>To remove reference to Anti-social behaviour legislation (shown in red)</p> <p>DPH 28 To consultation with the Head of Law to exercise discretion to determine whether prosecution of alleged offences under trading standards and consumer protection legislation and related environmental protection <del>and anti-social behaviour</del> legislation following formal investigations should be undertaken.</p>
<p><b>Reason for proposed change:</b> Avoiding duplication amongst multiple Directorates unnecessarily. The Environment Directorate is primarily concerned with anti-social behaviour management and with delegation to enforcement officers to use other functions of the Anti-social Behaviour Crime and Policing Act 2014, such as the issue of Community Protection Notices and Fixed Penalty Notices.</p>		

	<p>A generalised specific function at DE3 (f) allows discharge all functions under the same Act. It is unnecessary for the same legislation to be listed within a specific function of the Director for Public Health for which the primary purpose is to authorise Trading Standards functions.</p> <p>General response to anti-social behaviour, by way of prosecution, defence or appeal, in any event is covered by Head of Law function LG19.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> <li>• <b>Legal implications:</b> None. Prevents duplication of specific functions.</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b></li> <li>• <b>Human Rights implications:</b> Any decisions to exercise the delegated authority given to the Director will have due regard to any impact on an individual's qualified Human Rights.</li> <li>• <b>Equalities and Diversity implications:</b> Any such implications will be considered before a decision is taken by the Director on the exercise of these delegated functions.</li> <li>• <b>Risk Management implications:</b> None.</li> <li>• <b>Crime and Disorder implications:</b> Transfer of management of anti-social behaviour powers to single directorate for</li> </ul>	

	<p>Environmental concerns, rather than duplicated across multiple directorates, especially when Directorate of Public Health has no other functions regarding anti-social behaviour management.</p> <ul style="list-style-type: none"><li>• <b>Environment and Sustainability implications:</b> None</li></ul>
	<p><b>Proposed by:</b> Chris Coss <b>Service Area:</b> Legal (regulatory team) <b>Contact Tel. No:</b> 0191 643 4471</p>
	<p><b>Head of Service sign-off:</b> (please insert a cross in the box)</p>

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**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">Section 12</p> <p align="center">Director of Environment</p> <p align="center">Specific Function DE3</p>	<p><b>Consumer Protection</b></p> <p>DE3</p> <p>d) To issue a Community Protection Notice under section 43 of the Anti-Social Behaviour, Crime and Policing Act 2014.</p> <p>e) To issue Fixed Penalty Notices under sections 52 and 68 of the Anti-Social Behaviour, Crime and Policing Act 2014 for failure to comply with a Community Protection Notice or Public Spaces Protection Order.</p> <p>f) To delegate authorised officers to utilise the Anti-Social Behaviour, Crime and Policing Act 2014 with regard to issuing and</p>	<p>Remove existing text and replace with the following:</p> <p><b>Consumer Protection</b></p> <p>DE3</p> <p>a) To issue a Community Protection Notice under section 43 of the Anti-social Behaviour, Crime and Policing Act 2014.</p> <p>b) To issue Fixed Penalty Notices under sections 52 or 68 of the Anti-social Behaviour, Crime and Policing Act 2014 for failure to comply with a Community Protection Notice or Public Spaces Protection Order.</p> <p>c) To authorise officers to take enforcement action, issue Community Protection Notices or Fixed Penalty Notices and to enter premises in</p>

<p>enforcement of community protection orders and Fixed Penalty Notices.</p> <p>g) To authorise officers to take enforcement action and enter premises for which a Community Protection Notice Order is in force and/or to do anything necessary to secure the premises against entry.</p> <p>h) To discharge all other functions under the Anti-Social Behaviour, Crime and Policing Act 2014 except those not capable of delegation.</p>	<p>respect of which a Closure Order is in force to do anything necessary to secure the premises against entry and/or to carry out essential maintenance or repairs.</p> <p>d) In consultation with the Head of Law, to discharge all other functions under Part 4 of the Anti-social Behaviour, Crime and Policing Act 2014 (Premises Closure, Public Spaces Protection Orders and Community Protection Notices) except those not capable of delegation.</p>
<p><b>Reason for proposed change:</b></p> <p>The proposed changes will ensure that the correct terminology is used in the delegation which reflects the legislation and clearly sets out the delegations given to the Director of Environment.</p> <p>The proposed changes also tidy-up incorrect lettered paragraphs i.e. a) to d) rather than d) to h).</p>	

	<p>To clarify the specific powers to issue notices and the power to delegate to enforcement officers.</p> <p>To include a catch-all provision to 'future-proof' for any statutory amendments and to allow for the cross-over with the powers afforded to the Head of Law under LG19 for the prosecution, defence, or appeal of matters under the 2014 Act.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> <li>• <b>Legal implications:</b> The proposed changes will address specific powers afforded by the Anti-social Behaviour Crime and Policing Act 2014 that relate to Community Protection under part 4 of this Act.</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b></li> <li>• <b>Human Rights implications:</b> Any decisions to exercise powers under Part 4 of the 2014 Act will be taken having regard to the Human Rights Act and the qualified rights that are likely to be affected by the use of those powers.</li> <li>• <b>Equalities and Diversity implications:</b> Any public sector equality duty implications will be considered at the time of the delegated powers being exercised by the Director.</li> <li>• <b>Risk Management implications:</b> None. The proposals are a tidy-up of existing specific function and do not confer any authority not already in place.</li> </ul>	

<ul style="list-style-type: none"><li>• <b>Crime and Disorder implications:</b> Clear authority to act provides a single point of authority for a specific, targeted and swifter response to anti-social behaviour when they arise.</li> <li>• <b>Environment and Sustainability implications:</b> None</li></ul>
<p><b>Proposed by:</b> Chris Coss <b>Service Area:</b> Legal (Regulatory team) <b>Contact Tel. No:</b> 0191 6434471</p>
<p><b>Head of Service sign-off:</b> <input data-bbox="781 603 898 659" type="checkbox"/> (please insert a cross in the box)</p>

**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

<b>Section and Reference</b>	<b>Existing Text</b>	<b>Proposed amendment including revised text if appropriate</b>
<p align="center">Section 9</p> <p align="center">Director of Regeneration and Economic Development</p> <p align="center">Specific function RED56</p>	<p><b>Consumer Protection</b></p> <p>RED56</p> <p>Anti-Social Behaviour, Crime and Policing Act 2014:</p> <p>a) To issue a Closure Notice under section 76 of the Anti-Social Behaviour, Crime and Policing Act 2014.</p> <p>b) To issue a Cancellation Notice under section 78 of the Anti-Social Behaviour, Crime and Policing Act 2014.</p> <p>c) To authorise officers to enter premises for which a Closure Order is in force and/or to</p>	<p>Complete removal of RED56</p>
	<p><b>Reason for proposed change:</b></p> <p>In the case of a Closure Notice issued by a local authority, the notice must be signed by the</p>	

CEO or a person designated by **him or her** (under section 77(2)(b) Anti-social Behaviour, Crime and Policing Act 2014.) The Chief Executive has designated the signing of the Closure Notices to the Director of Economic Development and Regeneration by written authority signed 20 March 2023. The designation by the Chief Executive to another named officer is not a Constitutional issue because the designation can only be made personally by the Chief Executive and is not capable of designation (delegation) by either Cabinet or full Council.

A Cancellation Notice or Variation Notice (applying to a closure notice) must be signed by the person that signed the Closure Notice. This is also a statutorily prescribed function under section 78(4) of the same Act, and again neither full Council nor Cabinet has the power to designate the signing of a Cancellation Notice or Variation Notice to another officer. That power sits personally with the Chief Executive.

Authority to enter premises subject to a Closure Order (not a Closure Notice, to which RED 56 a) and b) relate, the Order is a court order) is also a statutory authority under section 85 of the same Act. The power is given to “a person authorised by the Authority” to enter premises to secure them against entry or to carry out essential maintenance or repairs.

This authority to enter premises at RED 56 c) is also found at function DE3 at point (g) belonging to the Director of Environment. As it is the Director of Environment and not the Director of Regeneration and Economic Development who is primarily concerned with anti-social behaviour management and with delegation to officers to use other functions of the Anti-social Behaviour Crime and Policing Act 2014, such as the issue of Community Protection Notices and Fixed Penalty Notices, and RED 56 is therefore not appropriate for the Director of Regeneration and Economic Development to hold as a delegation.

**Implications of proposed change:**

- **Finance and other resource implications:**

None

- **Legal implications:** The legal implications are set out above. The removal of RED 56 will ensure that the designation of functions sitting only with the Chief Executive are not included in the Officer Delegation Scheme and the function that does sit with the Authority is delegated to the appropriate Director and avoids unnecessary duplication.

- **Consultation/Engagement undertaken (internal and external):**

- **Human Rights implications:**

None

- **Equalities and Diversity implications:**

None

- **Risk Management implications:**

None

- **Crime and Disorder implications:** transfer of management of anti-social behaviour powers to single directorate for Environmental concerns, rather than duplicated across multiple directorates, especially when Regeneration and Economic Development directorate has no other functions regarding anti-social behaviour management.

- **Environment and Sustainability implications:**

None

<b>Proposed by:</b> Chris Coss <b>Service Area:</b> Legal (regulatory team) <b>Contact Tel. No:</b> 0191 643 4471
<b>Head of Service sign-off:</b> <input data-bbox="781 336 900 395" type="checkbox"/> (please insert a cross in the box)

**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">15. Head of Law</p> <p align="center">Corporate and statutory social services complaints LG13, LG14, LG15</p> <p align="center">Local Government and Social Care Ombudsman LG29</p>	<p>Please refer to the attached document for the existing text and the proposed changes relating to the Authority’s process for housing and corporate complaints.</p>	<p>Please refer to the attached document for the existing text and the proposed changes relating to the Authority’s process for housing and corporate complaints.</p>
<p align="center">16. Director of Services for Children and Adults</p> <p align="center">Protection HECS39</p> <p align="center">Director of Children’s Services HECS57</p> <p align="center">Looked After Children and Care Leavers</p>	<p><b>Reason for proposed change:</b></p> <p>The references to complaints need to be updated to reflect the structural changes that have taken place within the Authority in recent years. The officer responsibility for complaints has moved from the former role of Director of Law and Governance and now sits within the Assistant Chief Executive’s remit.</p> <p>In addition, an updated complaints process for Housing and Corporate complaints was considered and agreed by Cabinet on 18 March 2024. The changes were required as a result of two new complaints handling codes:</p> <ol style="list-style-type: none"> <li>1. Housing Ombudsman Service – published on 8 February 2024 and applicable from 1 April 2024</li> <li>2. Local Government and Social Care Ombudsman – published February 2024 and</li> </ol>	

HECS115	<p>applicable from April 2024</p> <p>The codes were consulted upon prior to publication.</p> <p>Both codes are clear that there should be only two stages in a complaints process and stipulate how complaints should be managed.</p> <p>The proposed changes to the Officer Delegation Scheme (and accompanying proposed changes to the Constitution) will reflect the new structure of the Authority and the revised complaints process.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no financial or other resource implications arising directly from this change. The delivery of complaint services is provided for from existing budget provision. Remedy payments are funded from existing budgets in the relevant service areas.</li> <li>• <b>Legal implications:</b> The proposed changes reflect the Authority's structure and the refreshed Corporate and Housing Services Complaint Procedure. The changes will support best practice being observed in accordance with the codes published by the Local Government and Social Care Ombudsman (LGSCO) and the Housing Ombudsman (HOS).</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> The two new Codes of Practice for complaint management, published by the LGSCO and HOS on 8 February 2024. This followed a national joint consultation held by both Ombudsman from September 2023 to November 2024. Both Ombudsman have stated their intent was to achieve best standard complaint handling across the local government</li> </ul>	

and the social housing sector.

In accordance with the Authority's Constitution, the Regulation and Review Committee and Lead Cabinet Member for Housing services, were consulted about the proposed changes to the Corporate Complaints Procedure.

- **Human Rights implications:**

There are no human rights implications arising directly from this change.

The service promotes equal access to complaint services and opportunities to contribute to service improvement.

- **Equalities and Diversity implications:**

There are no equalities and diversity implications arising directly from this change.

The Authority promotes equal access to complaint services and opportunities to contribute to service improvement. Material is available in different formats and officers actively help those with individual needs as required.

Equality monitoring data is requested from all complainants, so that the Authority can ensure it meets the needs of people with protected characteristics across all of the borough's communities.

An Equality Impact Assessment (EqIA) for the corporate complaints service was completed in December 2023. This will be reviewed within the next six months, in line with Corporate Complaint and Housing Services Complaint Procedure, if agreed by Cabinet.

- **Risk Management implications:**

There are no risk implications arising directly from this change.

- **Crime and Disorder implications:**

There are no crime and disorder implications arising directly from this change.

	<ul style="list-style-type: none"><li>• <b>Environment and Sustainability implications:</b> There are no environment and sustainability implications arising directly from this change.</li></ul>
	<p><b>Proposed by:</b> Haley Hudson, Head of Customer Experience and Public Service Reform <b>Service Area:</b> Customer Service and Experience <b>Contact Tel. No:</b> 07432006738</p>
	<p><b>Head of Service sign-off:</b> <input data-bbox="779 512 900 571" type="checkbox"/> (please insert a cross in the box)</p>

## Complaints – Proposed amendments to the Officer Delegation Scheme

	Current Wording	Proposed Wording
LG13	<p><b>Corporate and statutory social services complaints</b></p> <p>To administer the operation of the Authority's corporate and 'social services' complaints procedures.</p>	<p>Move this to Assistant Chief Executive as it no longer sits within Law or Governance and reword as follows:</p> <p><b>Corporate, housing and statutory social services complaints</b></p> <p>To administer the operation of the Authority's Corporate and Housing complaints procedures.</p> <p>To administer the operation of the Authority's 'social services' complaints procedures.</p>
LG14	<p>To discontinue the consideration of any complaint under the Authority's procedure in situations where it appears that the complaint is solely an appeal against a decision dictated by Authority policy, properly established and administered, or by statute.</p>	<p>Move this to Assistant Chief Executive as it no longer sits within Law or Governance</p>
LG15	<p>To appoint panellists to serve on, and make all necessary arrangements to convene and clerk, Complaint Review Panels established to consider complaints under The Local Authority Social Services Complaints (England) Regulations 2009 and The Children Act 1989 Representations Procedures (England) Regulations 2006.</p>	<p>Move this to Assistant Chief Executive as it no longer sits within Law or Governance</p>

<p><b>LG29</b></p>	<p>In consultation with the Mayor and the Chief Executive to consider any report by the Local Government and Social Care Ombudsman which finds that injustice has been caused to a person aggrieved in consequence of maladministration by the Authority and to notify the Local Government and Social Care Ombudsman of the action which the Authority proposes to take.</p> <p>(Note - Copies of the Local Government and Social Care Ombudsman's report and response of the Authority will be circulated to all Members of the Council).</p>	<p>Under Head of Law replace with the following:</p> <p>In consultation with the Mayor, the Chief Executive and the <b>Assistant Chief Executive</b> to consider any report by the Local Government and Social Care Ombudsman <b>or Housing Ombudsman</b> which finds that injustice has been caused to a person aggrieved in consequence of maladministration by the Authority.</p> <p>(Note - Copies of the Local Government and Social Care Ombudsman's report and response of the Authority will be circulated to all Members of the Council).</p> <p>Under the Assistant Chief Executives delegations add the following:</p> <p>In consultation with the Mayor, the Chief Executive and the Head of Law to consider any report by the Local Government and Social Care Ombudsman <b>or Housing Ombudsman</b> which finds that injustice has been caused to a person aggrieved in consequence of maladministration by the Authority and to notify the <b>relevant Ombudsman</b> of the action which the Authority proposes to take.</p>
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		(Note - Copies of the Local Government and Social Care Ombudsman's report and response of the Authority will be circulated to all Members of the Council).
<b>HECS39</b>	To determine the Authority's response to the recommendations of Complaints Review Panels under the Authority's social services complaints procedure in accordance with the Local Authority Social Services Complaints (England) Regulations 2006.	Delete this as partial duplication of HECS57
<b>HECS57</b>	To determine the Authority's response to the recommendations of Complaints Review Panels under the Authority's social services complaints procedure in accordance with the Local Authority Social Services Complaints (England) Regulations 2006 and the Children Act 1989 Representations Procedure (England) Regulations 2006.	No change
<b>HECS115</b>	To have a complaints procedure for looked after children, children in need, care leavers and others under Part 3 of the Children Act 1989.	No change

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**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

<b>Section and Reference</b>	<b>Existing Text</b>	<b>Proposed amendment including revised text if appropriate</b>
<p>10. Director of Commissioning and Asset Management</p> <p>Strategic Poverty CAM 59</p>	<p>Approval to declare as surplus to the Authority, market and sell any land or property where the capital value is up to £250,000, in consultation with the Director of Resources, the Head of Law, the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p> <p>Approval to the purchase by the Authority of any land or property where the capital value is up to £250,000, in consultation with the Director of Resources, the Head of Law, the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p>	<p>Approval to declare as surplus to the Authority, market and sell any land or property where the capital value does not exceed £500,000, in consultation with the Head of Law, the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p> <p>Approval to the purchase by the Authority of any land or property where the capital value does not exceed £500,000, in consultation with the Head of Law, Director of Resources the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p>
<p><b>Reason for proposed change:</b> To align with the financial values associated with Key Decisions taken by the Authority.</p>		

### Implications of proposed change:

- **Finance and other resource implications:**

The proposed amendment aligns with the Authority's key decision threshold. In any event, the direct financial implications relating to any decision to acquire or dispose of an asset would be fully identified and considered to ensure that the decision was affordable and sustainable from a financial perspective.

- **Legal implications:**

As stated above, one of the criteria to be applied for determining if a decision is a "key decision" is whether the decision involves expenditure or savings of £500,000 or over.

a) the decision involves the adoption or modification of the Authority's Budget or any of the plans in the Policy Framework;

b) the decision has a material effect on the provision of services in one or more wards in North Tyneside;

c) **the decision involves expenditure or savings by or on behalf of the Authority (capital or revenue) of £500,000 or over**

The proposed change to the Delegation Scheme also reflects the Authority's Contract Standing Orders relating to the procurement of goods and services where any procurement exercise where the estimated total cost of the works/services to be procured will, or is expected to **exceed**, £500,000 in value, requires a report to be submitted to Cabinet. Procurements not exceeding that amount can be undertaken by officers having due regard to the Constitution and ancillary documents. That is the approach being suggested by the proposed amendment to the officer Delegation scheme as outlined above.

Irrespective of whether the decision to declare land as being surplus to the Authority and any subsequent marketing and sale is a "key decision" or not, the principles of decision-making in Article 13 of the Constitution will still apply to that decision and the decision to be taken will still be required to appear on the Forward Plan.

- **Consultation/Engagement undertaken (internal and external):**  
Consultation has been carried out with the relevant officers.
- **Human Rights implications:**  
There are no Human Rights implications directly arising from this proposed change.
- **Equalities and Diversity implications:**  
There are no Equality and Diversity implications directly arising from this proposed change.
- **Risk Management implications:**  
There are no Risk Management implications directly arising from this proposed change.
- **Crime and Disorder implications:**  
There are no Crime and Disorder implications directly arising from this proposed change.
- **Environment and Sustainability implications:**  
There are no Environment and Sustainability implications directly arising from this proposed change.

**Proposed by: Iain Betham – Head of Estates**  
**Service Area: Strategic Investment and Asset Management**  
**Contact Tel. No: 643 8092 / 07989 449185**

**Director sign-off:**  
 (please insert a cross in the box)

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Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Director of Commissioning and Asset Management</p> <p>Page 42 - 46</p> <p>CAM1 to CAM34 (inclusive)</p>	<p>Current delegation wording is attached</p>	<p>That the current delegations CAM1 to CAM34(inclusive) be reallocated to the Director of Children’s Services as HECS191 to HECS224 (inclusive)</p>
<p><b>Reason for proposed change:</b></p> <p>The Chief Executive, in accordance with Chief Executive General Delegation GD2 has confirmed that delegated authority, previously afforded to the Director of Commissioning and Asset Management, will be reallocated to officers within the Senior Leadership Team, in accordance with the specific Directors’ current areas of day to day work and management.</p>		
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• Finance and other resource implications:</li> <li>• Legal implications:</li> </ul>		

<ul style="list-style-type: none"><li>• Consultation/Engagement undertaken (internal and external):</li><li>• Human Rights implications:</li><li>• Equalities and Diversity implications:</li><li>• Risk Management implications:</li><li>• Crime and Disorder implications:</li><li>• Environment and Sustainability implications:</li></ul>
<p>Proposed by: Service Area: Contact Tel. No:</p>
<p>Head of Service sign-off: <input data-bbox="781 868 900 924" type="checkbox"/> (please insert a cross in the box)</p>

Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">Director of Commissioning and Asset Management</p> <p align="center">Page 48 – 49</p> <p align="center">CAM 65</p>	<p align="center">Current delegation wording is attached</p>	<p align="center">That the current delegation CAM65 be reallocated to the Director of Environment as DE29</p>
<p><b>Reason for proposed change:</b></p> <p>The Chief Executive, in accordance with Chief Executive General Delegation GD2 has confirmed that delegated authority, previously afforded to the Director of Commissioning and Asset Management, will be reallocated to officers within the Senior Leadership Team, in accordance with the specific Directors' current areas of day to day work and management.</p>		
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• Finance and other resource implications:</li> <li>• Legal implications:</li> <li>• Consultation/Engagement undertaken (internal and external):</li> </ul>		

- Human Rights implications:
- Equalities and Diversity implications:
- Risk Management implications:
- Crime and Disorder implications:
- Environment and Sustainability implications:

**Proposed by:**  
**Service Area:**  
**Contact Tel. No:**

**Head of Service sign-off:**  
(please insert a cross in the box)

Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>Director of Commissioning and Asset Management</p> <p>Page 49</p> <p>CAM66 and CAM67</p>	<p>Current delegation wording is attached</p>	<p>That the current delegations CAM66 and CAM67 be reallocated to the Director of Housing as HP47 and HP48</p>
<p><b>Reason for proposed change:</b></p> <p>The Chief Executive, in accordance with Chief Executive General Delegation GD2 has confirmed that delegated authority, previously afforded to the Director of Commissioning and Asset Management, will be reallocated to officers within the Senior Leadership Team, in accordance with the specific Directors’ current areas of day to day work and management.</p>		
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• Finance and other resource implications:</li> <li>• Legal implications:</li> <li>• Consultation/Engagement undertaken (internal and external):</li> </ul>		

- Human Rights implications:
- Equalities and Diversity implications:
- Risk Management implications:
- Crime and Disorder implications:
- Environment and Sustainability implications:

**Proposed by:**  
**Service Area:**  
**Contact Tel. No:**

**Head of Service sign-off:**  
(please insert a cross in the box)

Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>10. Director of Commissioning and Asset Management</p> <p>Page 46 – 49</p> <p>CAM35, CAM 36</p> <p>CAM45 to CAM 64 (inclusive)</p> <p>CAM68 to CAM75 (inclusive)</p>	<p>Current delegation wording is attached</p>	<p>That the current delegations CAM35, CAM36, CAM45 to CAM64 (inclusive) and CAM68 to CAM75 (inclusive) be reallocated to the Director of Resources as R44 to R73 (inclusive)</p> <p>*a further proposed change to former CAM59 (now R60) has been submitted for consideration*</p>
	<p><b>Reason for proposed change:</b></p> <p>The Chief Executive, in accordance with Chief Executive General Delegation GD2 has confirmed that delegated authority, previously afforded to the Director of Commissioning and Asset Management, will be reallocated to officers within the Senior Leadership Team, in accordance with the specific Directors’ current areas of day to day work and management.</p>	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>Finance and other resource implications:</li> </ul>		

- Legal implications:
- Consultation/Engagement undertaken (internal and external):
- Human Rights implications:
- Equalities and Diversity implications:
- Risk Management implications:
- Crime and Disorder implications:
- Environment and Sustainability implications:

Proposed by:  
Service Area:  
Contact Tel. No:

Head of Service sign-off:  
(please insert a cross in the box)

**Officer Delegation Scheme (Version 22, May 2023) –  
General and Specific Delegations currently authorised to the  
Director of Commissioning and Asset Management**

**Proposals for reallocation of existing delegations from 1 January 2024**

It is proposed that the following delegations in the published Officer Delegation Scheme, currently authorised to the Director of Commissioning and Asset Management, are instead authorised to the Directors indicated below under the Chief Executive’s General Delegation GD2 of the Officer Delegation Scheme which provides that:

*“The Chief Executive is authorised to:*

*Where a Head of Service is absent or unable to act, to delegate the function to another officer. In these circumstances:*

*(a) documentary evidence of the authorisation **must** be kept; and*

*(b) the Chief Executive **must** be satisfied that the officer who has been authorised to act is not prohibited from doing so by any other legal or constitutional requirement and has the relevant skills, experience and qualifications to undertake the duties”.*

The effective date of these changes is 1 January 2024, once the Director of Commissioning and Asset Management retires from the Authority.

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM1	<p><b>Alternative provision</b></p> <p>To make arrangements for the provision of suitable education at school or otherwise for each child of compulsory school age who, for reasons of illness, exclusion or otherwise, would not receive it unless such arrangements were made in accordance with the Education Act 1996 Sections 3A and 19 and schedule 1, amended by section 3 of the Children Schools and Families Act 2010.</p> <p>Local authorities may establish pupil referral units to discharge their duty but do not have a duty to do so.</p>	•			
CAM2	Ensure that pupils in alternative provision receive full-time education unless it is not in the child's interests.	•			
	<b>Childcare</b>				
CAM3	To secure sufficient childcare for working parents, so far as is reasonably practicable, and those making the transition to work, including some "free to charge" provision.	•			
CAM4	To produce a childcare assessment at intervals not exceeding 3 years.	•			

Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)		Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM5	To provide information, advice and training to childcare providers including registration advice, business planning, financial management, marketing, discrimination legislation and use of the Common Assessment Framework in accordance with the provisions of the Childcare Act 2006.	•			
	<b>Commissioning</b>				
CAM6	To secure sufficient children's centres to meet local need, so far as this is reasonably practicable according to the Children's Act 2006, Section 5a.	•			
CAM7	To liaise with private, voluntary and community sector partners in planning, commissioning and providing children's services.	•			
CAM8	To act in relation to the duty to co-operate with the NHS in accordance with section 22 of the National Health Service Act 1977 and amended by section 27 of the Health Act 1999 and to enter into agreements with the NHS to provide services under section 28A of the Act as amended by sections 29-31 of the Health Act 1999, subject to such agreements being reported to Cabinet.	•			
	<b>Early Years Foundation Stage</b>				
CAM9	To assess childcare provision in accordance with the Childcare Act 2006, Section 11.	•			



Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)		Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
	<b>Employment and performances</b>				
CAM10	To grant employers permits for the employment of children under byelaws made under the Children and Young Persons Act 1993.	•			
CAM11	To grant licences for children to take part in public performances, to grant exemption from such licences and to grant licences for children to be trained for taking part in performances of a dangerous nature.	•			
	<b>Home to school transport</b>				
CAM12	To make provision for transport between school and home for children.	•			
CAM13	The local authority may make school travel schemes according the Education Act 1996 Section 508E as inserted by section 78 of the Education and Inspections Act.	•			
CAM14	To specify to what extent the arrangements included in the annual transport policy statement facilitate the attendance of disabled persons and persons with learning difficulties as stated in the Education Act 1996 Section 509AD.	•			

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM15	To publish an annual Post 16 Transport Policy Statement setting-out arrangements for the provision of transport and financial assistance towards travel costs considered necessary to facilitate students of sixth form age. (Education Act 1996, Section 509AA, amended with additional criteria for local authority post 16 transport policy statements in Education and Skills Act 2002, Education and Inspections Act 2006, Education and Skills Act 2008 and Apprentices, Skills, Children and Learning Act 2009).	•			
CAM16	To comply with the requirements for Post 16 Transport Policy Statements including:  a) Linking consideration of transport arrangements to commissioning duty (15ZA(1)); b) Re-enacting Adult Transport Duty (section 509 of Education Act 1996); c) Adding young people of sixth form age and their parents to the list of named stakeholders local authorities have to consult in drawing up their statements; d) The power to amend and republish their statement in year in response to complaints or direction from the Secretary of State.	•			

	(Education Act 1996 as amended by sections 54-57 of the Apprenticeships Skills, Children and Learning Act 2009).				
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	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
	Home tuition				
CAM17	To authorise home tuition.	•			
	Non-attendance at school				

CAM18	<p>To approve action to:</p> <p>a) apply to Court for Attendance Orders under section 437 of the Education Act 1996 in cases where children are not registered at any school;</p> <p>b) apply for Education Supervision Orders under section 36 of the Children Act 1989 in cases where ongoing statutory involvement with the children concerned is indicated; and bring proceedings against parents under section 444 of the Education Act 1996 where they fail to send their children to school.</p>	<ul style="list-style-type: none"> <li>•</li> </ul>			
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	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
	<b>Play</b>				
CAM19	To secure access for young people to sufficient educational and recreational leisure-time activities and facilities for the improvement of their wellbeing and personal and social development according to the Education Act 1996 Section 507B - introduced through section 6 of the Education and Inspections Act 2006.	•			
	<b>School admissions</b>				
CAM20	To carry out any future review of school catchment areas.	•			
CAM21	To administer and review the admissions procedures for mainstream schools in accordance with the Authority's admission policy and to determine admissions in accordance with that policy and the School Standards and Framework Act 1998.	•			
CAM22	To delegate the administration of admissions to individual schools where he/she is satisfied as to the arrangements in such schools for undertaking this duty.	•			
CAM23	To produce a report for the Schools Adjudicator on admission arrangements in their area.	•			
CAM24	To direct the admission of looked after children to the school that best meets their needs.				

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Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)		Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM25	To prepare and to present the case for the Authority, as admissions authority, at admission appeals hearings.	•			
CAM26	To promote choice and diversity through the Authority's strategic duties in relation to school places.	•			
CAM27	To publish annually the prescribed information about the admissions arrangements for each mainstream school in the area and, if regulations so provide, such maintained schools outside the area. (The Schools Standards and Framework Act 1998, Section 92).	•			
	<b>School capacity</b>				
CAM28	In consultation with the Head teacher and the Governing Body of the school concerned to make decisions with regard to admission numbers for primary schools.	•			
CAM29	In consultation with the relevant Cabinet Member to consider urgent applications for increases in a schools admission limit where other circumstances apply. (For example, if the increase were in excess of the capacity of the school).	•			
CAM30	In consultation with the relevant Cabinet Member, to determine the number of planned places in special schools on an annual basis.	•			

CAM31	To agree any future applications for increases in a school's admission limit where the application is in accordance with the school's physical capacity.	•			
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Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)		Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM32	To restrict class sizes for pupils aged 4-7 to thirty per class in accordance with the School Standards and Framework Act 1998 Sections 1 and 138(7). Secondary legislation – Education (Infant Class Sizes) (England) Regulations 1996 and The Education (Infant Class Sizes) (England) Regulations 1998.	•			
CAM33	To follow the prescribed statutory process when proposing alterations to existing schools: Education and Inspections Act 2006 Section 19. Secondary legislation - The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007.	•			
	<b>School Holidays</b>				
CAM34	In consultation with the Cabinet Member for Children, Young People and Learning to determine when the school terms and holidays are to begin and end in consultation with community, voluntary controlled, community special and maintained nursery schools. (Education Act 2002, Section 32).	•			
	<b>School meals</b>				
CAM35	To provide school lunches upon request for pupils eligible for free school meals and for those pupils for whom it would not be unreasonable to provide lunches. (Education Act 1996. Section 512(3) as amended by Education Act 2002)				•

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM36	Ensure that food provided by the local authority for pupils (where the school meals budget has not been delegated to the school) is nutritious. (School Standards and Framework Act 1998 section 114A, Education (Nutritional Standards and Requirements for School Food) (England) Regulations 2007.				•
	<b>School organisation</b>				
CAM37	To consult on the specification for any new school and invite promoters to bring forward proposals to set up the school.	•			
CAM38	To plan local school provision including decisions about the establishment, alteration and closure of maintained mainstream, special and nursery schools.	•			
CAM39	To set minimum standards for school premises. (Education Act 1996, The Education School Premises) Regulations 1996).	•			
CAM40	To maintain schools in the area. In accordance with the School Standards and Framework Act 1998 Section 22, as amended by Education Act 2002 and Education and Inspections Act 2006 but to cease to maintain schools once it becomes an academy in accordance with the Academies Act 2010 section 6, amended by Education Act 2011 section 58.	•			

Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)		Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM41	To regard legislation governing disposal of land on schools sites. (School Standards and Framework Act 1998 Section 77 as amended by schedule 4 to the Education and Inspections Act 2006).	•			
CAM42	To pay the proprietor of an academy any surplus in a school's budget when it converts. (Academies Act 2010 section 7, amended by Education Act 2011 section 57)	•			
CAM43	To regard the Education Act 2006 when transferring land on the change of a school category. (The School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2007 and the Academies Act 2010 section 8 and schedule, amended by Education Act 2011 sections 59 and 63 and schedule 14).	•			
CAM44	To determine whether to pay the cost of board and lodging at an academy in accordance with the Education Act 2011 section 61 inserts section 10A into Academies Act 2010.	•			
	<b>Strategic Property</b>				
CAM45	Approval of plans and specifications as far as the Authority is concerned as vendors or lessors of land.				•

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM46	To approve actions or the giving of consent where required under the terms of an agreed lease, including but not limited to consent for alterations and changes to user clauses contained in leases, tenancy agreements, licences and other agreements and any payments or receipts arising therefrom.				•
CAM47	Approval of reviewed rents under leases, tenancies, licences and other agreements.				•
CAM48	To accept surrenders of leases, tenancies, licences and other agreements where considered appropriate.				•
CAM49	To repossess Authority owned land and property following liquidation, bankruptcies and breaches of terms.				•
CAM50	Approval to the terms of assignments, sub-lettings and other forms of sharing of property.				•
CAM51	To seek arbitration or independent expert opinion in relation to property matters.				•
CAM52	Approval of licence terms, easements, wayleaves and standages.				•
CAM53	To accept offers for the purchase of Authority owned self-build housing plots.				•
CAM54	Minor land sales – approval to declare surplus to the Authority's requirements and to the terms of disposal of land up to the value of £20,000.00				•

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM55	Leasehold Enfranchisements – approval to declare surplus to the Authority's requirements and to the terms of disposal of properties held under residential ground leases where freeholds can be acquired by tenants through rights established under the Leasehold Reform Act 1967.				•
CAM56	The granting of consent to potential purchasers of Authority property to take entry for the purpose of undertaking investigations (eg. This may include site investigations prior to a sale).				•
CAM57	Approval to the letting of any property from the Authority at a rent of not less than the open market rental or for a premium at no less than market rate and to agree rent free periods where applicable.  Approval to the letting of any property to the Authority at a rent not greater than the open market rental value or for a premium at no more than market rate and to agree appropriate rent-free periods where applicable.				•
CAM58	Approval to the grant of an appropriate rent-free period in circumstances where a tenant undertakes repair works to premises with the agreement of the Council and where the repair works are the Council's obligation under the terms of the letting.				•

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM59	<p>Approval to declare as surplus to the Authority, market and sell any land or property where the capital value is up to £250,000, in consultation with the Director of Resources, the Head of Law , the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p> <p>Approval to the purchase by the Authority of any land or property where the capital value is up to £250,000, in consultation with the Director of Resources, the Head of Law , the Elected Mayor, the Cabinet Member for Finance and Resources and other relevant Cabinet Portfolio Holders.</p>				•
CAM60	Approval of terms for the acquisition of land or properties acquired as a consequence of the exercise of compulsory purchase powers.				•
CAM61	To agree expenditure in accordance with contractual obligations in leases, tenancy, licences and other agreements.				•
CAM62	To serve Notices under the Landlord and Tenant Act 1954.				•

	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM63	<p>In consultation with the Head of Law to determine from the following options the remedies most appropriate in commercial rent arrears cases, where action to recover or minimise the accumulation of debt is considered necessary:</p> <p>a) forfeiture by peaceable re-entry;  b) forfeiture by possession proceedings;  c) distress; and  d) suing.</p>				•
CAM64	Approval to vary or release covenants and agree any payments or receipts arising therefrom.				•
CAM65	To approve the terms for the supply of gas to premises where the consumption is in excess of 25,000 therms per annum.		•		
CAM66	To maintain municipal buildings and offices and all miscellaneous properties of the Authority subject to expenditure being within the amount allowed in the estimates.			•	
CAM67	To repair and maintain Authority owned public clocks.			•	

CAM68	To approve alterations within approved schemes within the Investment Plan which relate to property or buildings which are the responsibility of the Authority or schemes of planned maintenance for such buildings where such alterations are necessary for avoiding delays in implementing capital schemes. Reports on any action under this delegation will be submitted to the relevant Cabinet Member.				•
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	Current delegation in the Officer Delegation Scheme, Version 22 (May 2023)	Delegation proposed to move to			
		Director of Children's Services	Director of Environment	Director of Housing	Director of Resources
CAM69	In relation to all projects and programmes, to authorise, the entering into of agreements with other funding organisations where the purpose of the agreement is to enable that organisation to provide funding support for projects within any of the programmes delivered or managed by the Authority.				•
CAM70	To approve the terms of a Deed of Variation of an existing lease granted to or by the Authority.				•
CAM71	In consultation with the relevant Cabinet Member, to approve the award of a community discount on rent paid by a community organisation occupying property belonging to the Authority and following the completion of a community audit under the Authority's Community Discount Policy.				•
	<b>General</b>				

CAM72	To enter into negotiations with persons who lease premises from the Authority, to incorporate a covenant into such contracts forbidding tenants from having in possession or supplying combat knives or other offensive weapons.				•
	<b>Culture and Leisure</b>				
CAM73	To determine applications relating to sites for circuses and caravan rallies.				•
CAM74	To negotiate terms for the letting of appropriate sites under the control of Environment and Leisure services for fairs and circuses.				•
CAM75	To determine applications for the use of metal detectors on land under the control of Environment and Leisure services.				•

## Version Control

Version	Date	Status
Version 1.0	26 October 2023	Draft – circulated to Director of Children’s Services, Director of Environment, Director of Housing and Property Services, and Director of Resources for comment
Version 1.1	17 December 2023	Final – incorporating comments from Julie Firth (Director of Children’s Services), Sam Dand (Director of Environment) and Jon Ritchie (Director of Resources)

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Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p style="text-align: center;">13. Director of Housing and Property Services</p> <p style="text-align: center;">HP20 HP21</p>	<p>HP20 –</p> <p>In consultation with the Director of Resources, write off irrecoverable debt due from former tenants in compliance with the Authority’s write off policy. The following officers have delegated powers to write off former tenant rent arrears owed to the Authority:</p> <p>a) Former tenant rent arrears of up to £375 should be authorised by the Team Leader Debt Recovery and Direct Debit and countersigned by the Housing Neighbourhood Manager.</p> <p>b) Former tenant rent arrears with a value between £375 and £2,245 should be authorised by the Team Leader Debt Recovery and Direct Debit and</p>	<p>HP20 –</p> <p>In consultation with the Director of Resources, write off irrecoverable debt due from former tenants in compliance with the Authority’s write off policy. The following officers have delegated powers to write off former tenant rent arrears owed to the Authority:</p> <p>a) Former tenant arrears of up to £375 should be authorised <b>by the Housing Income Team Manager and countersigned by the Service Manager Housing Income</b></p> <p>b) Former tenant rent arrears with the value between £375 and £2245 should be authorised by the <b>Service Manager Housing Income</b> and countersigned by the <b>Head of Housing Management</b></p>

	<p>countersigned by the Head of Housing Management</p> <p><b>HP21 –</b></p> <p>In consultation with the Director of Resources, write off irrecoverable debt due from current tenants in compliance with the Authority’s write off policy. The following officers have delegated powers to write off irrecoverable current tenant rent arrears owed to the Authority:</p> <p>a) Current tenant rent arrears of up to £375 should be authorised by the Neighbourhood Team Leader and countersigned by the Neighbourhood Manager.</p> <p>b) Current tenant rent arrears with a value between £375 and £2,245 should be authorised by the Neighbourhood Team Leader and countersigned by the Housing Neighbourhood Services Manager</p>	<p>- <b>Retain all wording after this</b></p> <p><b>HP21 –</b></p> <p>In consultation with the Director of Resources, write off irrecoverable debt due from current tenants in compliance with the Authority’s write off policy. The following officers have delegated powers to write off irrecoverable current tenant rent arrears owed to the Authority:</p> <p>a) Current tenant rent arrears of up to £375 should be authorised <b>by the Housing Income Team Manager and countersigned by the Service Manager Housing Income</b></p> <p>b) Current tenant rent arrears with the value between £375 and £2245 should be authorised by the <b>Service Manager Housing Income</b> and countersigned by the <b>Head of Housing Management</b></p> <p>- <b>Retain all wording after this</b></p>
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	<p><b>Reason for proposed change:</b></p> <p>To reflect current roles/officer titles</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"><li>• <b>Finance and other resource implications:</b> None</li><li>• <b>Legal implications:</b> None</li><li>• <b>Consultation/Engagement undertaken (internal and external):</b> Internal – Housing Management – following restructure of service reflecting roles.</li><li>• <b>Human Rights implications:</b> None</li><li>• <b>Equalities and Diversity implications:</b> None</li><li>• <b>Risk Management implications:</b> None</li><li>• <b>Crime and Disorder implications:</b> None</li><li>• <b>Environment and Sustainability implications:</b> None</li></ul>	

<p><b>Proposed by: Toby Hartigan-Brown</b> <b>Service Area: Housing Management</b> <b>Contact Tel. No:</b></p>
<p><b>Head of Service sign-off:</b> <input data-bbox="779 336 898 395" type="checkbox"/> (please insert a cross in the box)</p>

Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
DPH159	To keep a list of those persons who are entitled to sell non-medicinal poisons under the Poisons Act 1972.	Remove text
	<p><b>Reason for proposed change:</b></p> <p>Local authorities are no longer under a duty to keep such a list.</p>	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> <li>• <b>Legal implications:</b> None</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> None</li> <li>• <b>Human Rights implications:</b></li> </ul>		

<p>None</p> <ul style="list-style-type: none"><li>• <b>Equalities and Diversity implications:</b> None</li><li>• <b>Risk Management implications:</b> None</li><li>• <b>Crime and Disorder implications:</b> None</li><li>• <b>Environment and Sustainability implications:</b> None</li></ul>
<p><b>Proposed by:</b> Mark Duffy <b>Service Area:</b> Public Protection, Trading Standards <b>Contact Tel. No:</b> 0191 643 6625</p>
<p><b>Head of Service sign-off:</b> <input data-bbox="779 954 900 1013" type="checkbox"/> X (please insert a cross in the box)</p>

Constitution and Associated Documents – Proposed Changes

Officer Delegation Scheme

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p>DPH27</p> <p>Director of Public Health</p>	<p>To issue simple cautions in line with Ministry of Justice guidance.</p>	<p>To issue simple cautions in line with Ministry of Justice guidance and to sub-delegate to the Head of Law the power to issue simple cautions in line with Ministry of Justice guidance.</p>
	<p><b>Reason for proposed change:</b></p> <p>To reflect the practical application of this delegation, which has been effected in 2023/24 by way of a signed Designated Authority document, and ensure that the Officer Delegation Scheme is amended to allow the Head of Law in addition to the Director of Public Health to issue simple cautions as outlined.</p>	
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> None</li> <li>• <b>Legal implications:</b></li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> None</li> </ul>		

- **Human Rights implications:**  
None
- **Equalities and Diversity implications:**  
None
- **Risk Management implications:**  
None
- **Crime and Disorder implications:**  
None
- **Environment and Sustainability implications:**  
None

**Proposed by:** Chris Coss  
**Service Area:** Principal Solicitor  
**Contact Tel. No:** 0191 643 4471

**Head of Service sign-off:**  
(please insert a cross in the box)

**Constitution and Associated Documents – Proposed Changes**

**Officer Delegation Scheme**

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
<p align="center">Section 10 Director of Commissioning and Asset Management Specific function CAM18</p> <p align="center">(Reallocated to Director of Children’s Services by virtue of p6 of Reallocation document dated 1.1.24)</p>	<p><b>Non-attendance at school</b> CAM18 To approve action to:</p> <p style="padding-left: 40px;">a) apply to Court for Attendance Orders under section 437 of the Education Act 1996 in cases where children are not registered at any school;</p> <p style="padding-left: 40px;">b) apply for Education Supervision Orders under section 36 of the Children Act 1989 in cases where ongoing statutory involvement with the children concerned is indicated; and</p> <p style="padding-left: 40px;">c) bring proceedings against parents under section 444 of the Education Act 1996 where they fail to send their children to school.</p>	<p><b>Non-attendance at school</b> CAM18 To approve:</p> <p style="padding-left: 40px;">a) the issue of a School Attendance Order under section 437(3) of Education Act 1996 in cases where children are not registered at any school or otherwise receiving suitable education;</p> <p style="padding-left: 40px;">b) in consultation with the Head of Law, to bring proceedings against parents under section 443 of Education Act 1996, where a parent is in breach of a School Attendance Order, or 444 of Education Act 1996, where they fail to send their child(ren) to school; and</p> <p style="padding-left: 40px;">c) application for an Education Supervision Order under</p>

		<p>section 447 Education Act 1996 or section 36 of the Children Act 1989.</p>
<p><b>Reason for proposed change:</b></p> <p><u>Part (a)</u>  A School Attendance Order is not a court order. The proposed change corrects the specific function to make clear that this is an order that the Local Authority can make directly to a parent without the need to apply to a court.</p> <p>School Attendance Orders require that a child be registered at a named school. The specific function only partially states the basis for making this order as the child must not be registered at any school AND not be receiving a suitable education. Without the second limb of the test, all home-schoolers would be subject to such orders, which is legally incorrect. The proposed change reflects the true legal test.</p> <p><u>Part (b)</u>  Part (b) and part (c) in the proposed change are inverted to better follow the order of sections in the legislation.</p> <p>There was no mention in part (c) of s443 enforcement (for breach of a School Attendance Order) which is a criminal offence and dealt with similarly to a s444 prosecution (for failing</p>		

to get your child to school). s443 is not dealt with anywhere else in the delegation scheme and it would be appropriate for a specific function to deal with both s443 and s444 prosecutions together. The proposed change to part (b) puts both criminal offences into the specific function together.

All decisions concerning enforcement action and enforcement by way of prosecution are authorised by Head of Law at specific function LG17 (court proceedings) and LG20 (civil and criminal enforcement actions). Part (b) therefore needs to be in consultation with Head of Law to marry the delegated authorities. The proposed change adds a consultation requirement to reflect this.

Part (c)

Education Supervision Orders are made on application to a Magistrates' Court under section 447 Education Act 1996 (following the instigation of criminal prosecution proceedings under s443 or 444 for truancy) or on application to a Family Court under section 36 Children Act 1989 (in care proceedings). The specific function was missing reference to the Magistrates' power and the change now reflects both court options.

**Implications of proposed change:**

- **Finance and other resource implications:** None
- **Legal implications:** None. Corrects legal inaccuracies in the specific function.
- **Consultation/Engagement undertaken (internal and external):** any decisions regarding part (b) concerning instigating a prosecution of a parent will be considered in consultation with and authorisation by the Head of Law

- **Human Rights implications:** Any decisions to exercise the delegated authority given to the Director will have due regard to any impact on an individual's qualified Human Rights.
- **Equalities and Diversity implications:** Any such implications will be considered before a decision is taken by the Director on the exercise of these delegated functions.
- **Risk Management implications:** None.
- **Crime and Disorder implications:** Any such implications form part of the decision regarding section 443 and 444 enforcement, and will be subject to the 2 stage Prosecutor Code test and Regulator's code as well as the NTC Enforcement policy before the delegated authority is exercised.
- **Environment and Sustainability implications:** None

**Proposed by:** Chris Coss

**Service Area:** Legal (regulatory team)

**Contact Tel. No:** 0191 643 4471

**Head of Service sign-off:** (please insert a cross in the box)

### Constitution and Associated Documents – Proposed Changes

Section and Reference	Existing Text	Proposed amendment including revised text if appropriate
Constitution L8	The setting of Prudential Indicators in relation to the Council’s capital investment plans.	The development of a Capital Strategy and setting of Prudential Indicators in relation to the Authority’s capital investment plans.
	<b>Reason for proposed change:</b> To reflect current CIPFA requirements for the Authority to develop a Capital Strategy to underpin its investment plans.	
Officer Delegation Scheme 14. Director of Resources  R74	N/A – Proposed new delegation	To negotiate and agree funding agreements with external bodies in consultation with the Head of Law relating to the delivery of both capital and revenue investment within the Borough, subject to such agreements being retrospectively reported to Cabinet in the next available Performance and Financial Management Report.
	<b>Reason for proposed change:</b> To ensure the Authority can react effectively to external funding opportunities where these are in accordance with the Authority’s priorities and financial plans, many of which have limited timescales to enter into the relevant funding agreements and without an appropriate delegation in place there is a risk the Authority may be unable to accept external resources.	
Financial Regulations  Various changes	<ul style="list-style-type: none"> <li>• Changes to foreword to reflect Finance Strategy and update CFO</li> <li>• Changes to numbering throughout</li> <li>• Changes to Overview and Scrutiny to refer to Overview and Scrutiny Co-ordination and Finance Committee</li> <li>• Changes to Governance to Standards Sub-Committee</li> </ul>	

	<ul style="list-style-type: none"> <li>• Additional responsibilities for CFO in 4.21 relating to the Fees and Charges policy and acceptance and application of external funding</li> <li>• Additional responsibilities for Chief Officers in 4.24 relating to proposing and reviewing Fees and Charges in line with the policy</li> <li>• Virements in 4.26 to review thresholds in line with Key Decision requirements and to reference the potential, albeit rare, for capital virements via Investment Programme Board</li> <li>• Removal of reference to the CIPFA Statement of Recommended Practice and Treasury Management in the Public Services Code of Practice and replacing this with the CIPFA Codes of Practice to reflect the latest guidance</li> <li>• Reference within the External Funding section at E.19 to ensure that any required match funding is available and sustainable</li> <li>• Clarity in E.32 around approval thresholds to submit an expression of interest/bid for external funding and the associated acceptance</li> <li>• Requirement at E.34 for Cabinet to approve entering into a funding agreement, but with a delegation to the CFO to agree terms</li> </ul>
	<p><b>Reason for proposed change:</b></p> <p>The majority of proposed changes are required to reflect the latest structure of the Authority and updates to the Guidance/Legislation. Additional clarification has been provided relating to the treatment of virements and to the management and application of external funding given the increased volume of external funding bids the Authority relies upon in order to deliver its services.</p>
<p><b>Implications of proposed change:</b></p> <ul style="list-style-type: none"> <li>• <b>Finance and other resource implications:</b> There are no direct financial implications from the proposed changes.</li> <li>• <b>Legal implications:</b> There are no direct legal implications from the proposed changes set out above.</li> <li>• <b>Consultation/Engagement undertaken (internal and external):</b> Consultation has been carried out with the relevant officers as part of agreeing the changes outlined above.</li> </ul>	

- **Human Rights implications:** There are no Human Rights implications directly arising from this proposed change.
- **Equalities and Diversity implications:** There are no Equality and Diversity implications directly arising from this proposed change.
- **Risk Management implications:** There are no Risk Management implications directly arising from this proposed change.
- **Crime and Disorder implications:** There are no Crime and Disorder implications directly arising from this proposed change.
- **Environment and Sustainability implications:** There are no Environment and Sustainability implications directly arising from this proposed change.

**Proposed by: David Mason**  
**Service Area: Finance**  
**Contact Tel. No: 0191 643 3293**

**Director sign-off:**  
(please insert a cross in the box)

X
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# Financial Regulations

March 2024



North  
Tyneside  
Council

## Version Control Sheet

The Chief Finance Officer has a duty to ensure that Financial Regulations are developed and kept up to date. This document supersedes the Financial Regulations document from 2021.

To maintain effective version control, this version control sheet will accompany any future issue of updated pages. This version control sheet will summarise those paragraphs in which changes have been agreed and where a new version of these paragraphs has been issued. The version control sheet will also make clear which paragraphs remain unchanged.

The version of each page in the Financial Regulations is shown on the bottom left hand corner.

An up-to-date version of the Authority's Financial Regulations will always be available on the Authority's intranet site. Any queries about version control should be directed to the Head of Finance.

Description	Changes	Most Recent Version
Financial Regulations	N/A	June 2021
Financial Regulations	Foreword Virements:4.25 to 4.28 Appendix A Scheme of Virement Fees & Charges: Chief officer and chief finance officer duties Controls B35, D21, D34, D50, D51 External Funding: Controls E20, E22, E32, E33, E34	March 2024

*The Authority's Financial Regulations should be read in conjunction with other regulations and guidance published by the Authority, including but not limited to the Constitution, Standing Orders with respect to contracts, Schemes of Delegation, Codes of Conduct, Computer Security Policy, and System User Guidelines.*

*In relation to Maintained Schools: The Scheme for Financing Schools and the Local Bank Account Scheme should be read.*

*The Chief Officer of each service is responsible for ensuring all staff are aware of the existence and content of such documents.*

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## 1. Foreword by the Chief Finance Officer

Robust financial management is vital for any organisation, especially as a Local Authority utilising public funding. Strong financial governance is a key element of our Financial Strategy. Ultimately, our ability to deliver high quality, value for money services in line with our Corporate Values rests on strong financial governance.

The integrity of finance and the good stewardship of resources must run throughout all of our operations and extends across the organisation. The Financial Regulations have been prepared to guide you through the practices and procedures that underpin good financial management.

The purpose of the Financial Regulations is to embed the smooth and efficient management of our financial resources. An up-to-date copy of the Financial Regulations is always available on the Authority's intranet site, or can be obtained from Resources. If you have any queries on the Financial Regulations, or financial procedures generally, please speak to a finance officer from your service area or contact the Head of Finance directly, who will be pleased to assist.

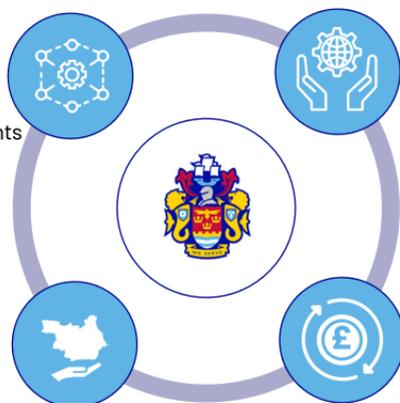
Jon Ritchie  
Director of Resources  
(Chief Finance Officer)  
March 2024

### Strategic Alignment

- Driven by Our North Tyneside Plan
- 4-year balanced position (MTFP)
- Align revenue and capital plans
- Consider whole life costs of decisions
- Maximise direct service delivery to residents

### Resilience

- Ensure sufficiency of reserves & balances
- Address key risks without impacting on Our North Tyneside Plan delivery



### Governance

- Evidence led and benefit measurement
- Deliver value for money in everything we do
- Maximise social value
- Lawful decision making

### Sustainability

- Set a sustainable Council Tax in line with Government assumptions
- Generate income to support service delivery
- Maximising external funding
- Balanced treasury management

## 2. Introduction to Financial Regulations

- 2.1 To conduct its business efficiently, a Local Authority needs to ensure that it has a sound financial management framework in place and that this is strictly adhered to. Part of this process is the establishment of Financial Regulations that set out the financial policies of the Authority.
- 2.2 The Financial Regulations provide clarity about the financial accountabilities of individuals. Each of the Financial Regulations sets out the overarching financial responsibilities which must be followed by those acting on the Authority's behalf.
- 2.3 A detailed set of financial procedure rules supports the overarching financial responsibilities set out in this document. These financial procedure rules are included in Appendices A to E and form part of the Authority's Financial Regulations. Under the Financial Regulations, other financial instructions and guidance manuals may be issued from time to time as appropriate by the Chief Finance Officer and such guidance will have the force of Financial Regulations.
- 2.4 All financial decisions and decisions with financial implications must have regard to proper financial control. Any doubt as to whether a financial proposal is appropriate, or whether a financial action is correct, must be clarified in advance of the decision or action with the Chief Finance Officer.
- 2.5 Failure to follow Financial Regulations or financial instructions issued by the Chief Finance Officer under Financial Regulations may result in action under the Authority's corrective and disciplinary procedures.
- 2.6 The Authority's governance structure is laid down in its Constitution, which sets out how the Authority operates, how decisions are made and the procedures that are followed.

### 3. Status of Financial Regulations

- 3.1 Financial Regulations provide the framework for managing the Authority's financial affairs. They apply to every Member and officer of the Authority and anyone acting on its behalf.
- 3.2 The regulations identify financial responsibilities of individuals – The Mayor, Cabinet Members, Council Members, officers, the Head of Paid Service, the Monitoring Officer, the Chief Finance Officer, and other Chief Officers. Cabinet Members and Chief Officers should maintain a written record where decision making has been delegated to members of their staff, including seconded staff. Where decisions are so delegated, the officer to whom the decision has been delegated must provide sufficient information to the Cabinet Member or Chief Officer on request in order to give assurance that tasks or decisions have been performed in accordance with the Financial Regulations. Where decisions have been delegated or devolved to other responsible officers, such as school governors, references to the Chief Officer in the regulations should be read as referring to them.
- 3.3 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, and provides value for money.
- 3.4 The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the full Council for approval. The Chief Finance Officer is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or to the Cabinet Members. The Chief Finance Officer is authorised to temporarily suspend Financial Regulations in extreme circumstances.
- 3.5 Chief Officers are responsible for ensuring that all staff in their service are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them.

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Any person charged with the use or care of the Authority's resources and assets should inform him or herself of the Authority's requirements under Financial Regulations. Any queries should be referred to the Chief Finance Officer.

- 3.6 All Chief Officers should ensure that any financial procedures / guidelines produced by their service in support of financial control are fully compliant with the Financial Regulations. The agreement of the Chief Finance Officer should be obtained for the development of such financial procedures.
- 3.7 The Chief Finance Officer is responsible for issuing advice and guidance to underpin the Financial Regulations that Members, officers and others acting on behalf of the Authority are required to follow.
- 3.8 The word 'should' in the Financial Regulations implies a duty or obligation to act in the way outlined. Where reference is made to a Chief Officer, this may be construed, depending upon the context, as his or her authorised representative.
- 3.9 Any proposals for changes or amendments to the Financial Regulations should be forwarded to the Chief Finance Officer for consideration.
- 3.10 Employees handling income and financial transactions for non-North Tyneside Council accounts (e.g. amenity funds) must adopt standards which are as high as those set out in these Financial Regulations in the administration of such accounts.
- 3.11 All employees must report to their manager, supervisor or other responsible senior officer any illegality, impropriety, breach of procedure or serious deficiency discovered in the following of financial procedures or Financial Regulations; managers must record and investigate such reports and notify the Chief Finance Officer and Head of Internal Audit where it appears that a breach has occurred.

## 4. Financial Regulation A: Financial Management

### INTRODUCTION

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

### THE FULL COUNCIL

4.2 The full Council is responsible for adopting and revising the Authority's Constitution and Members' Code of Conduct and for approving or adopting the budget and policy framework within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the Authority's overall framework of accountability and control. The framework is set out in its Constitution (Article 4). Further details can be found in points 4.4 and 5.1.

4.3 The full Council is responsible for approving procedures for recording and reporting non-executive decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

### THE CABINET

4.4 The Cabinet is responsible for submitting proposals to full Council in respect of the council tax requirement and estimates of amounts for all aspects of the Elected Mayor and Cabinet's proposed spending and resource plans for the general fund revenue budget (including the dedicated schools grant), the Investment plan (including prudential

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indicators and a proposed minimum revenue provision policy) and the treasury management statement and annual investment. These proposals are in respect of the general fund budget and those appropriate plans/strategies that fall within the policy framework, and for discharging executive functions in accordance with the Constitution.

- 4.5 Cabinet is responsible for setting Housing rents and service charges which are considered by Cabinet in January as part of the Housing Budget report and Business plan.
- 4.6 Although the decision making around the HRA budget is a Cabinet responsibility it is fair to say that there are also responsibilities that fall to Council to decide which will impact on the HRA (and whether it will balance) and therefore the HRA cannot be viewed as sitting in complete isolation.
- 4.7 Cabinet decisions can be delegated to a committee of the Cabinet, an individual Cabinet Member, an officer or a joint committee. A report is received by full Council on annual basis that sets out the appointments to outside bodies (executive functions).
- 4.8 The Constitution (Article 13, Point 4) sets out clear principles of decision making to ensure that individual Cabinet Members consult with relevant officers when making a decision within his or her delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

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## COMMITTEES OF THE COUNCIL

### Overview & Scrutiny Co-ordination & Finance Committee

4.9 The Overview & Scrutiny Co-ordination & Finance Committee is responsible for scrutinising Cabinet decisions before or after they have been implemented and for holding the Cabinet to account. Overview & Scrutiny Co-ordination & Finance Committee is responsible for considering and responding to proposals from the Cabinet in respect of the budget and those plans/strategies that fall within the policy framework. Overview & Scrutiny Co-ordination & Finance Committee is also responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Authority.

### Standards Sub-Committee

4.10 The Standards Sub-Committee is responsible for the promotion of ethical standards within the Authority, helping to secure adherence to the Members' Code of Conduct, monitoring the operation of the Code within North Tyneside, promoting and reviewing the Whistle Blowing Policy for Members and conducting hearings following investigation and determining complaints made against Councillors in respect of alleged breaches of the Code of Conduct.

### Other Regulatory Committees

4.11 Planning, licensing and other regulatory committees do not exercise executive functions but exercise quasi judicial functions through multi-party committees under powers delegated by the full Council.

## **Audit Committee**

4.12 The Audit Committee is a key component of the Authority's corporate governance arrangements and is an important source of assurance about the organisation's arrangements for managing risk, maintaining an effective control environment and reporting on financial and other performance. In accordance with its terms of reference, the Audit Committee receives interim and end of year reports from both internal and external audit, and other information appropriate to its programme of work.

## **THE STATUTORY OFFICERS**

### **Head of Paid Service**

4.13 The head of paid service is responsible for the corporate and overall strategic management of the Authority's staff in accordance with section 4 of the Local Government and Housing Act 1989. He or she must report to and provide information for the Cabinet, the full Council, the overview and scrutiny committee and other committees. He or she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The head of paid service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the full Council's decisions (see below).

### **Monitoring Officer**

4.14 The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee. The Monitoring Officer is also responsible for reporting any actual or potential breaches of the law or maladministration to the full

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Council and/or to the Cabinet as set out in section 5(1) of the Local Government and Housing Act 1989, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

- 4.15 The Monitoring Officer must ensure that Cabinet decisions, together with the reasons for those decisions and relevant officer reports and background papers are made publicly available as soon as possible. He or she must also ensure that Council Members are aware of decisions made by the Cabinet and of those made by officers who have delegated executive responsibility.
- 4.16 The Monitoring Officer will provide advice on the scope of powers and authority to take decisions, maladministration, financial impropriety, probity and budget and policy framework issues to all Councillors and Officers.
- 4.17 The Monitoring Officer is responsible for advising the Cabinet or full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget and policy framework.
- 4.18 The Monitoring Officer is responsible for ensuring lawfulness and fairness of decision making as set out in the Constitution (Article 12).
- 4.19 The Monitoring Officer is responsible for maintaining an up-to-date version of the Constitution and will ensure that it is widely available for consultation by Members, staff and the public.

### **Chief Finance Officer**

- 4.20 The Chief Finance Officer (also known as the Section 151 Officer) has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972,
- The Local Government Finance Act 1988,
- The Local Government and Housing Act 1989,
- The Accounts and Audit (England) Regulations 2015 as amended,
- The Local Government Act 2003.

#### 4.21 The Chief Finance Officer is responsible for:

- The proper administration of the Authority's financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- providing financial information
- preparing the revenue budget and capital plan
- treasury management
- reporting on the adequacy of reserves and the robustness of the budget estimates when the annual budget is being considered
- to ensure that the Fees & Charges Policy is being observed throughout the Authority and that they have approved all changes to services' fees and charges.
- ensuring the proper management of financial affairs relating to the acceptance and application of external funding
- ensuring the existence of a financial strategy.

#### 4.22 Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the full Council, Cabinet and external auditor if the Authority or one of its officers:

- has made, or is about to make, a decision which involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Authority's accounts
- it appears to the Chief Finance Officer that the expenditure of the

Authority incurred (including the 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.

4.23 Section 114 of the 1988 Act also requires:

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

### Chief Officers

4.24 Chief Officers are responsible for:

- ensuring that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer
- ensuring that the Financial Regulations are observed throughout all areas under their control
- providing the Chief Finance Officer with such information and explanations as the Chief Finance Officer feels is necessary to meet his or her obligations under Financial Regulations.
- proposing fees and charges for their services in line with the Authority's fees and charges policy, with final approval being held by the Chief Finance Officer and that they have processes and procedures in place within their service areas to review fees and charges in line with the policy on an annual basis.

4.24 It is the responsibility of Chief Officers to consult with the Chief Finance Officer and seek approval on any matter liable to affect the Authority's finances materially, before any commitments are incurred.

## OTHER FINANCIAL ACCOUNTABILITIES

### Virement

4.25 The full Council is responsible for agreeing procedures for virement of expenditure between budget headings.

4.26 Virement of revenue resources should only occur occasionally, but is permitted subject to the following procedures (see A.10 – A.28) provided that virements are not be broken down into smaller values in order to circumvent the procedures:

Threshold	Procedure
Up to £49,000	Such virements on any one budget head (defined in A.11b) during the year may be made at the discretion of the relevant Chief Officer, but the Chief Finance Officer should be notified promptly of the virement.
£50,000 to £249,000	Such proposed virements will require the approval of the Chief Finance Officer and the relevant Cabinet Member for the service area.
£250,000 to £499,999	Such proposed virements must be reported to Cabinet, and Cabinet approval will be required prior to the virement taking place. In exceptional circumstances, a virement of this value may be made with the approval of the Chief Finance Officer, in consultation with the Chief Executive and relevant Cabinet Member, and subsequently reported to Cabinet.
£500,000+	Such proposed virements must be reported to Council, and Council approval will be required before the virement can take place. In exceptional circumstances, a virement of this value may be made with the approval of the Chief Finance Officer, in consultation with the Chief Executive, Mayor and opposition group leaders, and subsequently reported to Council.

- 4.27 In addition to the procedures outlined in 4.26 above, any proposed virement relating to employees' basic pay, national insurance or superannuation should comply with any staffing procedures established by the Director of Resources, and include approval under delegated matters where appropriate. This is in addition to the approvals required from other officers / Members outlined above.
- 4.28 It is considered that virements relating to Capital projects will be extremely rare as changes are more likely to relate to realignment rather than being temporary in nature, however if the requirement does emerge then approval to do so must be sought via Investment Programme Board following consultation with the Chief Finance Officer and will be reported to Cabinet.

### **Budget realignment**

- 4.29 From time to time, it may be considered appropriate to realign the budget for part or all of a service area, for example if a service area's budget moves out of line with actual levels of service provision, or if there is a restructure. In such cases, a budget realignment exercise may need to be carried out to bring actual spend in line with cost centre budgets. It is important that any budget realignment is transparent and that the process can be subject to proper scrutiny.
- 4.30 Budget realignment should only be considered if material permanent changes to the budget are necessary, and should usually only occur once in any financial year. The realignments proposed should be notified by the Chief Officer of the service area concerned to the Chief Finance Officer in advance of the annual budget setting process. The approval of the Chief Finance Officer should be obtained before any realignment is implemented.

### **Treatment of year-end balances**

- 4.31 The full Council is responsible for agreeing procedures in respect of carrying forward under and overspendings on budget headings in line

with the budget and policy framework, as part of the budget setting process each year.

### **Accounting policies**

4.32 The Chief Finance Officer is responsible for setting accounting policies in accordance with statute and best practice and ensuring that they are applied consistently throughout the Authority.

### **Accounting records and returns**

4.33 The Chief Finance Officer is responsible for determining the accounting procedures and records for the Authority.

### **The annual statement of accounts**

4.34 The Chief Finance Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA).

4.35 The draft Accounts are to be approved by the Director of Resources in accordance with the statutory deadlines, currently by 31 May each year. Approval by the Audit Committee would not take place until the Accounts had been audited, so that the Members were approving the final set of information. This needs to be done to ensure the financial statements can be signed off in accordance with the statutory deadline, currently by 30 September.

### **Sound financial management**

4.36 The Authority is responsible for ensuring its financial management is adequate and effective, and that sound systems of risk management are in place (as required by the Accounts and Audit (England) Regulations 201 as amended). The Authority is also responsible for ensuring that a budget monitoring system is in place, and if there is a deterioration in the Authority's financial position during the year it

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must consider what action to take to deal with the situation (as required by the Local Government Act 2003).

### **Budget setting**

4.37 The Chief Finance Officer has a duty under the Local Government Act 2003 in relation to budget setting. When the Authority determines its annual budget and council tax level, Members and officers must take into account a report from the Chief Finance Officer on the robustness of the budget and the adequacy of the Authority's reserves.

4.38 The Authority's service & resource planning framework integrates service planning and budget setting processes to develop the financial strategy and to ensure that the budget setting process is priority led.

## 5. Financial Regulation B: Financial Planning

### INTRODUCTION

5.1 The full Council is responsible for approving or adopting the Authority's budget and policy framework, within which the Cabinet operates. In terms of financial planning, the key elements are summarised below:

- the Council Plan
- the budget on which the Council Tax requirement and the associated levels are based
- the Investment Plan, including the Prudential and Treasury indicators

### POLICY FRAMEWORK

5.2 The full Council is responsible for approving the budget and policy framework and the Authority's Council Tax requirement. The policy framework comprises those statutory plans and strategies set out in the Constitution.

5.3 The Council's and Cabinet's responsibilities in respect of budget and policy are set out in the budget and policy framework procedure rules, contained in the Authority's Constitution.

5.4 The responsibility for setting Housing Rents and Service charges and therefore the Housing Revenue Account budget are an Executive function and therefore rests with Cabinet. Cabinet will consider and approve the annual Housing capital plan and associated prudential and treasury indicators, but will need to ensure that these are delivered within the overall limits of the Investment plan and indicators approved by full Council.

5.5 The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget and policy framework within the financial limits set by the full Council as part of the budget and policy framework.

- 5.6 However any plan agreed is subject to constraint, Cabinet cannot be required to comply with a policy/strategy where the function/responsibility rests with the executive.

## **BUDGETING**

### **Budget preparation**

- 5.7 The Chief Finance Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a financial strategy on an appropriate basis for consideration by the Cabinet, before submission to the overview and scrutiny committee and full Council (where appropriate) in accordance with the Authority's Constitution.
- 5.8 The full Council may amend the Council Tax level or ask the Cabinet to reconsider it before approving it.
- 5.9 The Cabinet may issue guidance on the general content of the budget in consultation with the Chief Finance Officer following approval by the full Council. The Chief Finance Officer will issue guidelines on the budget to appropriate officers throughout the Authority.
- 5.10 It is the responsibility of Chief Officers to ensure that accurate budget estimates reflecting agreed service plans are submitted to the Cabinet and that these estimates are prepared in line with guidelines issued by the Chief Finance Officer.

### **Budget monitoring and control**

- 5.11 Under the Local Government Act 2003 the Authority has a duty to monitor its budget during the year. If, as a result of this monitoring, it appears that there has been a deterioration in its financial position, the Authority must take action to deal with the situation.

- 5.12 The Chief Finance Officer is responsible for providing appropriate financial information and guidance to enable budgets to be monitored effectively. The Chief Finance Officer should report to Cabinet on the overall financial position of the Authority on a regular basis, and at least quarterly.
- 5.13 It is the responsibility of Chief Officers to control income and expenditure for revenue and capital within their area and to monitor performance, taking account of financial information provided by the Chief Finance Officer. They should report on variances within their own areas to the Chief Finance Officer. They should also take any action necessary (without affecting policy) to avoid exceeding their budget allocation, in accordance with the Financial Regulations. If it becomes apparent to a Chief Officer that, due to exceptional or unforeseen circumstances, there may be difficulty in providing a service within budget, this must be communicated to the Chief Finance Officer at the earliest opportunity. In such circumstances the Chief Officer retains responsibility for the careful monitoring and control of income and expenditure, and must make every effort (without affecting policy) to minimise the impact on the Authority. Regular reports are provided to Cabinet on all aspects of financial management.

### **Resource allocation**

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

### **Preparation of the investment plan and prudential indicators**

- 5.15 The Chief Finance Officer is responsible for ensuring that an investment plan (including the HRA investment plan), showing capital expenditure and how that expenditure is funded, is prepared

on an annual basis for consideration by the Cabinet before submission to the full Council. The plan should cover an appropriate period, and may in addition include information on capital investment strategy for up to 10 years ahead. In addition to this, the CIPFA prudential code for capital finance in local authorities requires that a set of prudential indicators for capital and treasury management (covering at least a period of 3 years) are agreed by full Council. This CIPFA code is backed by statute in the Local Government Act 2003.

5.16 Chief Officers providing information to the Chief Finance Officer for the investment plan shall ensure that for each capital scheme the full financial implications of any proposals are fully evaluated and disclosed. The appropriate gateway form must be completed, detailing both revenue and capital implications of each proposed scheme.

### **Budget Preparation Guidelines**

5.17 Guidelines on budget preparation will be issued to Members and Chief Officers by the Chief Finance Officer following consultation with the Cabinet. The guidelines will take account of:

- statutory and related requirements
- the constitution
- financial planning prospects
- the council plan
- available resources
- spending pressures
- value for money, efficiency and other relevant government guidelines
- other internal policy documents cross-cutting issues (where relevant)
- sustainability
- health & wellbeing

- other relevant guidelines which may emerge from time to time

## **MAINTENANCE OF RESERVES**

5.18 It is the responsibility of the Chief Finance Officer to advise the Cabinet and/or the full Council on prudent levels of reserves for the Authority. When the Authority is deciding its annual budget and council tax level it is required (by virtue of the Local Government Act 2003) to take into account a report from the Chief Finance Officer on the adequacy of the Authority's financial reserves and the robustness of the budget. The government has a back-up power to impose a minimum level of reserves on an authority that it considers to be making inadequate provisions. The Authority's reserves and balances policy, prepared by the Chief Finance Officer, is subject to annual review.

## **6 Financial Regulation C: Risk Management and Control of Resources**

### **INTRODUCTION**

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

### **RISK MANAGEMENT**

- 6.2 A risk management policy statement and strategy has been drafted and approved by Cabinet. The Cabinet is responsible for reviewing the effectiveness of risk management and for ensuring that proper insurance exists where appropriate.
- 6.3 The Chief Finance Officer will be responsible for the Authority's risk management policy statement, which may be prepared by a nominated officer. The risk management policy statement will be promoted throughout the Authority. The Chief Finance Officer will advise the Cabinet on proper insurance cover where appropriate.

### **INTERNAL CONTROL**

- 6.4 Internal control refers to the systems of control devised by management to help ensure the Authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Authority's assets and interests are safeguarded.
- 6.5 The Chief Finance Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other

relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

- 6.6 It is the responsibility of Chief Officers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

## **AUDIT REQUIREMENTS**

- 6.7 The Accounts and Audit (England) Regulations 2015 as amended require every Local Authority to maintain an adequate and effective internal audit.
- 6.8 The responsibilities of the external auditor are derived from statute (principally the Local Audit and Accountability Act 2014). The Code of Audit Practice prescribes the way in which external auditors must carry out their functions.
- 6.9 The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenues & Customs, who have statutory rights of access.

## **PREVENTING FRAUD AND CORRUPTION**

- 6.10 The Chief Finance Officer is responsible for the development and maintenance of anti-fraud, anti-corruption, anti-money laundering and anti-bribery policies.

## ASSETS

6.11 Chief Officers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

## TREASURY MANAGEMENT

6.12 The Authority has adopted the key principles of CIPFA's Treasury Management Code (2021) (the Code).

6.13 Accordingly, the Authority will create and maintain, at the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies, objectives and approach to risk management of its treasury management activities
- suitable Treasury Management Practices, setting out the manner in which the Authority will seek to achieve those policies objectives, and prescribing how it will control and manage those activities.

The content of the Treasury Policy Statement and Treasury Management Practices will follow the recommendations contained in the Code, subject only to amendment where necessary to reflect the particular circumstances of the Authority. Such amendments will not result in the Authority materially deviating from the Code's key recommendations.

6.14 All money in the hands of the Authority is controlled by the officer designated for the purposes of section 151 of the Local Government Act 1972, referred to in the code as the Chief Finance Officer.

6.15 In accordance with CIPFA's Treasury Management Code, the Authority will receive reports on its treasury management policies, practices

and activities, including, as a minimum, an annual strategy and plan in advance of the year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.

6.16 The execution and administration of treasury management decisions shall be delegated to the Chief Finance Officer, who will act in accordance with the Authority's Treasury Policy Statement and Treasury Management Practices and, if he or she is a CIPFA member, CIPFA's Standard of Professional Practice for Treasury Management. The Treasury indicators include the limits for the Authority's external debt and the operational boundary for external debt which are agreed by full Council, any movements in borrowing limits made under delegation to the Chief Finance Officer will be reported to the Cabinet at its next meeting.

6.17 The Authority nominates Overview, Scrutiny, Co-ordination & Finance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies through the budget scrutiny process.

6.18 The Cabinet is responsible for the monitoring of the Treasury Management Practices. The Chief Finance Officer is responsible for reporting to the Cabinet on a regular basis in each financial year on the activities of the treasury management operation in the form prescribed in the Treasury Management Practices and on the exercise of his or her delegated treasury management powers. One such report will comprise an annual report on treasury management for presentation by 30 September of the succeeding financial year.

## **STAFFING**

6.19 The Head of Paid Service is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job. The Head of Paid Service has ultimate responsibility for ensuring the Authority's staffing resource meets its needs in terms of capacity and organisation.

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## 6.20 Chief Officers are responsible for controlling total staff numbers by:

- advising the Cabinet on the proposed budget necessary in any given year to cover estimated staffing levels
- adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- the proper use of the Authority's policies and procedures in respect of
- staffing matters

## **7 Financial Regulation D: Systems and Procedures**

### **INTRODUCTION**

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

### **GENERAL**

- 7.2 The Chief Finance Officer is responsible for the operation of the Authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by Chief Officers to the existing financial systems or the establishment of new systems must be approved by the Chief Finance Officer after consultation with internal audit. However, Chief Officers are responsible for the proper operation of financial processes in their own service.
- 7.3 Any changes to agreed procedures by Chief Officers to meet their own specific service needs should be agreed with the Chief Finance Officer.
- 7.4 Chief Officers should ensure that their staff receive relevant financial training that has been approved by the Chief Finance Officer.
- 7.5 Chief Officers must ensure that, where appropriate, computer and other systems are registered in accordance with data protection legislation. Chief Officers must ensure that staff are aware of their responsibilities under freedom of information legislation.

### **INCOME AND EXPENDITURE**

- 7.6 It is the responsibility of Chief Officers to ensure the Officers' scheme of delegation is complied with within his or her service. In addition, each Chief Officer should ensure that an authorised signatory list is held and regularly updated, identifying staff authorised to act on the Chief Officer's behalf in respect of payments, income collection and placing orders, together with the limits of their authority. When hard copy documentation in this regard is produced, signatures should

always be made in manuscript. The Cabinet 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**

7.7 The Chief Finance Officer is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to Members.

## **TAXATION**

7.8 The Chief Finance Officer is responsible for advising Chief Officers, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.

7.9 The Chief Finance Officer is responsible for maintaining the Authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

## **TRADING ACCOUNTS/BUSINESS UNITS**

7.10 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts, business units and Local Authority controlled companies.

## **RETENTION OF RECORDS**

7.11 Each Chief Officer shall make arrangements for the retention of financial and personnel records as follows:

- financial matters relating to the payment of creditors, income or other tax matters, national insurance, pensions and debts of any nature should be retained for at least six years plus the present year
- all other records should be retained in accordance with retention schedules maintained by Information Governance
- where legislation or professional guidance stipulates a longer

retention period, documentation should be retained in accordance with this.

- 7.12 Requests to maintain financial records in paper based media should be made in writing to the Chief Finance Officer.
- 7.13 In the case of invoices relating to grant claims, these must be kept for a minimum of six years or until satisfaction of grant audit requirements, whichever is longer.
- 7.14 Where documents are disposed of after the relevant retention periods have expired, any sensitive or confidential information should be shredded.

## 8. Financial Regulation E: External Arrangements

### INTRODUCTION

- 8.1 The local authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.
- 8.2 It is important that the Authority assesses the costs and benefits of partnership working as it would its own performance. The purpose of partnership governance arrangements is to enable the Authority and its partners to assess whether a partnership is delivering the intended outcomes.

### PARTNERSHIPS

- 8.3 A partnership is an agreement to work collectively between two or more independent bodies to achieve a joint objective. Such a broad definition means that the term is frequently applied to a wide range of collaborative arrangements, ranging from special interest groups to joint venture companies.
- 8.4 While many forms of partnership working have particular legal or financial structures that minimise potential risks, some forms of collaborative working do not. It is important to have appropriate governance arrangements in place in all partnerships, to ensure that risks will be minimised and the advantages of partnership working will be achieved.
- 8.5 Good governance combines robust systems and processes (such as risk management, financial management, performance management and internal controls) with effective leadership and high standards of behaviour.

- 8.6 The Cabinet is responsible for approving delegations, including frameworks for partnerships, although in certain specific instances full Council approval may be required. The Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.
- 8.7 The Cabinet can delegate functions – including those relating to partnerships – to officers. These are set out in the schemes of delegation. Where functions are delegated, the Cabinet remains accountable for them to the full Council.
- 8.8 Where the Authority is the nominated lead or accountable body for partnership arrangements, the Authority's Financial Regulations will apply.
- 8.9 The Authority's Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct that apply throughout the Authority, including those standards relating to financial conduct / administration, to partnerships.
- 8.10 The Chief Finance Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory and provide value for money to the taxpayer. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised and allocated between the parties to the agreement before agreements are entered into with external bodies.
- 8.11 Chief Officers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies, as set out in section 7 of the external partnership arrangements handbook (available from the Chief Finance Officer). In all cases, this must include approval of the Chief Finance Officer and Monitoring Officer.

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## **EXTERNAL FUNDING**

8.12 The Chief Finance Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the Authority's accounts.

## **WORK FOR THIRD PARTIES**

8.13 The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.

## **CONFIDENTIALITY CLAUSES**

8.14 All information held by or on behalf of the Authority will be available to the public upon written request from January 2005, unless it falls into one of the statutory exemptions set out in the Freedom of Information Act 2000. Officers must therefore secure that when negotiating or entering into a contract on behalf of the Authority that any confidentiality clause proposed by a third party has been approved by the Head of Law.

## APPENDIX A

### Financial Procedure Rules: Financial Management

#### FINANCIAL MANAGEMENT STANDARDS

##### Why is this important?

A.1 All staff and Members have a duty to abide by the highest standards of probity in dealing with financial issues. This is facilitated by ensuring everyone is clear about the standards to which they are working and the controls that are in place to ensure that these standards are met.

##### Key controls

A.2 The key controls and control objectives for financial management standards are:

(a) their promotion throughout the Authority

(b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Cabinet and full Council.

##### Responsibilities of the Chief Finance Officer

A.3 To ensure the proper administration of the financial affairs of the Authority, and to determine on behalf of the Authority the accounting records and the accounting control systems in accordance with the Accounts and Audit (England) Regulations 2015 as amended.

A.4 To set the financial management standards and to monitor compliance with them in accordance with the relevant codes of practice and accounting standards.

A.5 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the Authority.

A.6 To advise on the key strategic controls necessary to secure sound financial management.

A.7 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

### **Responsibilities of Chief Officers**

A.8 To promote the financial management standards set by the Chief Finance Officer in their service and to monitor adherence to the standards and practices, liaising as necessary with the Chief Finance Officer.

A.9 To promote sound financial practices in relation to the standards, performance and development of staff in their service.

### **MANAGING EXPENDITURE**

#### *Scheme of virement*

#### **Why is this important?**

A.10 In February/March each year, full Council will set a budget for the following financial year. Inevitably in a large and complex organisation, changes will need to be made to this approved budget during the year.

A.11 The scheme of virement is intended to enable the Cabinet, Chief Officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full Council, and therefore to optimise the use of resources.

A.12 To ensure that there is appropriate approval and control over virement changes. The Authority operates two main approaches. These are:

- 1) Changes that have a material policy impact will generally require the approval of Directors/Chief Officers and/or Members. The type and level of approval required will depend on the value of the proposed changes. Specific guidance on the approvals process is set out below. These changes are known as policy virements
- 2) Changes which are essentially of an administrative nature can generally be approved by officers at or below Chief Officer level. The approval limits for individual officers are set out in each service's

scheme of delegation. These changes are known as administrative virements

### **Key controls**

A.13 Key controls for the scheme of virement are:

- (a) it is administered by the Chief Finance Officer within guidelines set by the full Council. Any variation from this scheme requires the approval of the full Council.
- (b) the overall budget envelope for General fund is approved by full Council. Chief Officers and budget managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a cost centre in the revenue budget, or a project set out in the investment plan.
- (c) virement will only be used where there is a confirmed change to the spending plans agreed by executive, it will not be used purely to offset budget variances.
- (d) virement does not create additional overall budget liability. Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one- off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Chief Officers must plan to fund such commitments from within their own budgets.

### **Responsibilities of the Chief Finance Officer**

- A.14 To prepare jointly with the Chief Officer a report to the Cabinet where revenue virements in excess of £249,999; to prepare jointly with the Chief Officer a report to full Council where revenue virements in excess of £500,000 are proposed.

## Responsibilities of Chief Officers

- A.15 A Chief Officer may exercise virement on revenue budgets under his or her control for amounts up to £49,999 on any one budget head during the year (with an overall limit of £300,000 in one financial year). This must follow notification to the Chief Finance Officer and be subject to the conditions below.
- A.16 Revenue virement amounts greater than £50,000 but less than £249,999 require the approval of the Chief Finance Officer (with an overall limit of £500,000 in one financial year). This must follow notification to the relevant Cabinet Member and be subject to the conditions below.
- A.17 Revenue virement amounts greater than £250,000 but less than £499,999, require the approval of the Cabinet, following a joint report by the Chief Finance Officer and the Chief Officer. In exceptional circumstances, a virement of this value can be made with the approval of the Chief Finance Officer, in consultation with the Chief Executive and relevant Cabinet Member, but must be subsequently reported to Cabinet.
- A.18 Revenue virement amounts greater than £500,000, require the approval of the full Council, following a joint report by the Chief Finance Officer and the Chief Officer, which must specify the proposed expenditure and must explain the implications in the current and future financial years. In exceptional circumstances, a virement of this value can be made with the approval of the Chief Finance Officer, in consultation with the Chief Executive, Mayor and opposition group leaders, but must be subsequently reported to Council.
- A.19 It is considered that virements relating to Capital projects will be extremely rare as changes are more likely to relate to budget realignment rather than being temporary in nature, however if the requirement does emerge then approval to do so must be sought via Investment Programme Board following consultation with the Chief Finance Officer and any proposed variances must be reported to Cabinet.

- A.20 Proposed virements on employees' basic pay, national insurance or superannuation must in addition to the above comply with any staffing procedures established by Human Resources, and requirements to obtain delegated matters approval where appropriate.
- A.21 The prior approval of the Cabinet is required for any virement, of whatever amount, where it is proposed to:
- a) vire between budgets of different accountable Cabinet Members
  - b) vire between budgets managed by different Chief Officers.
- A.22 Virement that is likely to impact on the level of service activity of another Chief Officer should be implemented only after agreement with the relevant Chief Officer.
- A.23 No virement relating to a specific financial year should be made after 31 March in that financial year. Virement is a one-off, temporary adjustment made in-year (and should not be confused with budget realignment, described in paragraphs 4.29, 4.30 and A.30, which relates to permanent budget variations).
- A.24 Where services wish to undertake an activity not originally identified in the approved budget, or there is an overall increase in the cash income and expenditure of the Authority, approval must be sought for a supplementary revenue estimate or a funding virement. It is expected that this process is used when additional external funding or new grants are received after the annual budget is approved. The level of approval required will depend upon the amount of funding/grant.
- A.25 Some revenue virements are essentially of an administrative nature as they do not involve changes from existing approved policies. Administrative virement would include the following examples:
- Re-analysis of school "on-line" budgets
  - Implementing of restructuring and re-organisations proposals that have already received the appropriate level of Officer and Member approval
  - Routine changes to the structure of the accounting system Changes to notional accounting budgets which are required for reporting purposes

but which do not impact on the Authority's cash expenditure. Examples include changes to the depreciation and central support charges.

- A.26 Where the virement is of an administrative nature, Member approval is not required and therefore approval will be based on the service scheme of delegation. Corporate Finance should be consulted where there is uncertainty as to whether a proposed virement constitutes a change of approved policy.
- A.27 A school's governing body may transfer budget provision, above a value which will be declared annually, between heads of expenditure within the delegated school budget following notification to the Chief Education Officer.
- A.28 Where an approved budget is a lump-sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:
- a) the amount is used in accordance with the purposes for which it has been established, as set out in the budget-setting report to Council in advance of each financial year
  - b) the Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet.
- A.29 Transfers by way of virement cannot be made from rates, insurance, car allowances and leasing charges (non-controllable budgets) without consultation with Corporate Finance.
- A.30 Budget realignment is described in paragraphs 4.29 and 4.30 of the Financial Regulations. Any proposal to realign all or part of a service area budget must be notified (by the Chief Officer of the service area) in writing to the Chief Finance Officer. Budget realignment should usually only occur once in any financial year, and be notified to and agreed by the Chief Finance Officer in advance of the Authority's budget setting process. Budget realignment is a permanent change to the budget.

- A.31 Any virements made during the year together with budget realignments will be reported to Cabinet through the budget monitoring reports.

### *Treatment of year-end balances*

#### **Why is this important?**

- A.32 The Authority's scheme of virement sets out the Authority's treatment of year-end balances. It is administered by the Chief Finance Officer within guidelines set by the full Council. Any variation from the scheme of virement (as set out above) requires the approval of the full Council.
- A.33 The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry-forward. For the purposes of this scheme, a budget heading is a line in the revenue budget.

#### **Key controls**

- A.34 Appropriate accounting procedures are in operation to ensure that carried-forward totals are correct.

#### **Responsibilities of the Chief Finance Officer**

- A.35 To administer the scheme of carry-forward within the guidelines approved by the full Council.
- A.36 To report all overspends and underspends on service estimates carried forward to the Cabinet and to the full Council.

#### **Responsibilities of Chief Officers**

- A.37 The Chief Finance Officer may decide, in consultation with the Chief Executive and Cabinet Member for finance, that an overspend on service estimates in total on budgets under the control of a Chief Officer be carried forward to the following year. This overspending may thus constitute the first call on service estimates in the following year. The application of this financial regulation will apply when determined to be appropriate by the Chief Finance Officer. The Chief Finance Officer will report the extent of overspends carried forward to the Cabinet and to the full Council.

- A.38 Net underspends on service estimates under the control of a Chief Officer may occur. Where this is the case, options exist for the treatment of the underspend. The Chief Finance Officer will recommend to Cabinet and / or Council one of the following treatments: where the Authority's overall financial position is such that the carry forward of an underspend would create a deficit in balances, the Chief Finance Officer (in consultation with the Chief Executive and Cabinet Member for finance) may recommend to Cabinet and / or Council that this should not be allowed. In making such a recommendation, the Chief Finance Officer will take into account the Authority's overall financial position including balances and general reserves, and the requirements of the reserves and balances policy.
- a) where in the opinion of the Chief Finance Officer the Authority's overall financial position is favourable, the Chief Finance Officer may (in consultation with the Chief Executive and Cabinet Member for finance) advise the Cabinet and / or Council that the carry forward of underspends by services may be considered.
  - b) Where this is the case, the carry forward of the underspend will be contingent upon the relevant Chief Officer reporting to the Cabinet the source of underspending or additional income and the proposed application of those resources.
- A.39 All internal business unit surpluses shall be retained for the benefit of the Authority and their application shall require the approval of the Cabinet.
- A.40 Schools' balances shall be available for carry-forward to support the expenditure of the school concerned. Where an unplanned deficit occurs, the governing body shall prepare a detailed financial recovery plan for evaluation by the Chief Education Officer and the Chief Finance Officer. The relevant Cabinet Member should then consider the plan based on the evaluation prepared by the Chief Education Officer and the Chief Finance Officer. Schools will normally be expected to agree a plan with the Chief Education Officer and Chief Finance Officer to recover the deficit within a defined period. Further reference should be made to section 4 of the Scheme for Financing Schools (available from the Chief Education Officer) which covers the treatment of school

balances in more detail.

## ACCOUNTING POLICIES

### Why is this important?

A.41 The Chief Finance Officer is responsible for the preparation of the Authority's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom (CIPFA), for each financial year ending 31 March. In addition the Local Government Act 2003 and the Accounts and Audit (England) Regulations 2015 as amended set out statutory requirements governing the Authority's accounts and budget setting process.

### Key controls

A.42 The key controls for accounting policies are:

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

### Responsibilities of the Chief Finance Officer

A.43 To select suitable accounting policies and to ensure that these are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year, and covers such items as:

- a) separate accounts for capital and revenue transactions
- b) the basis on which debtors and creditors at year end are included in the accounts
- c) details on substantial provisions and reserves
- d) fixed assets

- e) depreciation
- f) capital charges
- g) work in progress
- h) stocks and stores
- i) deferred charges
- j) accounting for value added tax
- k) government grants
- l) leasing
- m) pensions
- n) investments
- o) capital receipts.

### **Responsibilities of Chief Officers**

A.44 To adhere to the accounting policies and guidelines approved by the Chief Finance Officer

### **ACCOUNTING RECORDS AND RETURNS**

#### *Why is this important?*

A.45 Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibility for stewardship of public resources. The Authority has a statutory responsibility to prepare its annual accounts to present fairly its operations during the year. These are subject to external audit. This audit provides assurance that the accounts are prepared properly, that proper accounting practices have been followed and that quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the Authority's resources.

#### **Key controls**

A.46 The key controls for accounting records and returns are:

- (a) all Cabinet Members, finance staff and budget managers operate within the required accounting standards and timetables
- (b) all the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis

- (c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure
- (d) reconciliation procedures are carried out to ensure transactions are correctly recorded
- (e) prime documents are retained in accordance with legislative and other requirements.

### **Responsibilities of the Chief Finance Officer**

- A.47 To determine on behalf of the Authority suitable accounting records, accounting statements and accounting control systems for the Authority. Where records are maintained outside the finance service, the Chief Finance Officer should consult the Chief Officer concerned. The Chief Finance Officer must also ensure that the accounting control systems are observed and that the accounting records of the Authority are maintained in accordance with proper practices and kept up to date.
- A.48 To arrange for the compilation of all accounts and accounting records under his or her direction.
- A.49 To comply with the following principles when allocating accounting duties:
- (a) separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them
  - (b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- A.50 To make proper arrangements for the audit of the Authority's accounts in accordance with the Accounts and Audit (England) Regulations 2015 as amended.
- A.51 To ensure that all claims for funds including grants are made by the due date.
- A.52 To prepare and publish the audited accounts of the Authority for each financial year, in accordance with the statutory timetable and with the requirement for the full Council or delegated Committee of Council to approve the statement of accounts by the dates prescribed by statute.

A.53 To administer any arrangements for under- and overspendings to be carried forward to the following financial year.

A.54 To ensure the proper retention of financial documents in accordance with the requirements set out in paragraphs 7.11 – 7.14 of the Financial Regulations.

### **Responsibilities of Chief Officers**

A.55 To consult and obtain the approval of the Chief Finance Officer before making any changes to accounting records and procedures.

A.56 To comply with the principles outlined in paragraph A.41 when allocating accounting duties.

A.57 To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.

A.58 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the Chief Finance Officer.

## **THE ANNUAL STATEMENT OF ACCOUNTS**

### ***Why is this important?***

A.59 The Authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The accounts are approved by full Council or by a delegated Committee of Council.

### **Key controls**

A.60 The key controls for the annual statement of accounts are:

- (a) the Authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Chief Finance Officer.
- (b) The Authority is required to comply with the Accounts and Audit (England) Regulations 2015 as amended which set out the statutory dates for approval and publication of the annual accounts.

- (c) the Authority's statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom.

### **Responsibilities of the Chief Finance Officer**

- A.61 To set out correct accounting policies and to apply them consistently throughout the Authority and in compliance with the CIPFA Code of Practice.
- A.62 To prepare the statement of accounts and present this to Council by the statutory date set out in the Accounts and Audit (England) Regulations 2015 as amended.
- A.63 To sign and date the statement of accounts (that is the revenue account and balance sheet).
- A.64 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.

### **Responsibilities of Chief Officers**

- A.65 To comply with accounting guidance provided by the Chief Finance Officer in relation to the preparation of the Authority's statement of accounts, and to supply the Chief Finance Officer with information when required.

## APPENDIX B

### Financial Procedure Rules: Financial Planning

#### SERVICE PLANS

##### Why is this important?

B.1 The purpose of service plans is to explain overall priorities and objectives, current performance, and proposals for further improvement. The Authority continues to produce a council plan which summarises its performance and priorities for the coming financial planning period.

##### Key controls

B.2 The key controls for service plans are:

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

##### Responsibilities of the Chief Finance Officer

B.3 To advise and supply the financial information that needs to be included in service plans in accordance with statutory and Authority requirements and agreed timetables.

B.4 To contribute to the development of corporate and service targets and objectives and performance information.

B.5 To ensure that systems are in place to measure activity and collect accurate information for use as performance indicators.

B.6 To ensure that performance information is monitored frequently to allow corrective action to be taken if targets are not likely to be met.

### **Responsibilities of Chief Officers**

B.7 To contribute to the development of service plans in line with statutory requirements.

B.8 To contribute to the development of corporate and service targets and objectives and performance information, and deliver these plans.

## **BUDGETING**

### **Format of the budget**

#### **Why is this important?**

B.9 The format of the budget determines the level of detail to which financial control and management will be exercised. The format shapes how the rules around virement operate, the operation of budget allocations and sets the level at which funds may be reallocated within budgets.

### **Key controls**

B.10 The key controls for the budget format are:

- (a) the format complies with all legal requirements
- (b) the format complies with CIPFA requirements
- (c) the format reflects the accountabilities of service delivery.

## **Responsibilities of the Chief Finance Officer**

- B.11 To advise the Cabinet on the format of the budget that is approved by the full Council.

## **Responsibilities of Chief Officers**

- B.12 To comply with accounting guidance provided by the Chief Finance Officer.

## **Revenue budget preparation, monitoring and control**

### **Why is this important?**

- B.13 Budget management ensures that once the budget has been approved by the full Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the Authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- B.14 By continuously identifying and explaining variances against budgetary targets, the Authority can identify changes in trends and resource requirements at the earliest opportunity. The Authority itself operates within an annual budget allocation, approved when setting the overall budget. To ensure that the Authority in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.
- B.15 For the purposes of budgetary control by officers, a budget will normally be the planned income and expenditure for a service area or cost centre.

## **Key controls**

B.16 The key controls for managing and controlling the revenue budget are:

- (a) The responsibility of the Authority for budget monitoring and control, under the Local Government Act 2003, is acknowledged
- (b) there is a nominated budget manager and budget holder for each cost centre heading
- (c) budget holders should be responsible only for income and expenditure that they can influence, and act under the direction of their budget manager
- (d) budget managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- (e) budget holders follow an approved certification process for all expenditure
- (f) income and expenditure are properly recorded and accounted for
- (g) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget
- (h) Appropriate forms of reporting are identified and put in place.

#### **Responsibilities of the Chief Finance Officer**

B.17 To establish an appropriate framework of budgetary management and control that ensures that:

- (a) budget management is exercised within annual budget allocations unless the full Council agrees otherwise
- (b) each Chief Officer has available timely information on receipts and payments on each budget which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
- (c) expenditure is committed only against an approved budget head
- (d) all officers responsible for committing expenditure comply with relevant guidance, and the Financial Regulations
- (e) each cost centre has a single named officer, determined by the relevant budget manager (Chief Officer or senior manager), to act as the budget holder for that cost centre. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making processes that commits expenditure

(f) significant variances from approved budgets are investigated and reported by budget managers regularly.

B.18 To administer the Authority's scheme of virement.

B.19 To submit reports to the Cabinet and to the full Council, in consultation with the relevant Chief Officer, where a Chief Officer is unable to balance expenditure and resources within existing approved budgets under his or her control.

B.20 To prepare and submit reports on the Authority's projected income and expenditure compared with the budget on a regular basis.

### **Responsibilities of Chief Officers**

B.21 To maintain budgetary control within their service, in adherence to the principles in B.17 and in accordance with the budget management handbook, and to ensure that all income and expenditure is legal and is properly recorded and accounted for.

B.22 To ensure that one accountable budget holder, who will act under the direction of a nominated budget manager, is identified for each item of income and expenditure under the control of the Chief Officer (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

B.23 To ensure that spending remains within the service's overall budget allocation, and that individual budget heads are not overspent, by monitoring the budget and taking appropriate corrective action where significant variations from the approved budget are forecast.

B.24 To ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and is operating effectively.

B.25 To prepare and submit to the Chief Finance Officer reports on the service's projected expenditure compared with its budget, and to keep the Chief Finance Officer informed of any actual or likely

changes which may / will have a significant impact on current or future budgets.

- B.26 To ensure prior approval by the full Council or Cabinet (in accordance with the Authority's Constitution) for new proposals, of whatever amount, that:
- (a) create financial commitments in future years
  - (b) change existing policies, initiate new policies or cease existing policies
  - (c) materially extend or reduce the Authority's services.
- B.27 A report on new proposals should explain the full financial implications, following consultation with the Chief Finance Officer. Unless the full Council or Cabinet has agreed otherwise, Chief Officers must plan to contain the financial implications of such proposals within their budget allocation.
- B.28 To ensure compliance with the scheme of virement.
- B.29 To agree with the relevant Chief Officer where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Chief Officer's level of service activity.
- B.30 To ensure that the Authority's standing orders with respect to contracts are complied with whenever expenditure is proposed to be incurred.
- B.31 To seek agreement from the Chief Finance Officer and Cabinet Member for finance where it is proposed to fund an item of expenditure from contingencies. Where the use of a contingency is agreed, this will be reported to Cabinet as part of the budget monitoring process.

## **Budgets and financial planning**

### **Why is this important?**

- B.32 The Authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the Authority's plans and policies.
- B.33 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the full Council. Budgets (spending plans) are needed so that the Authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an Authority to budget for a deficit.
- B.34 Financial planning involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the financial plan. This ensures that the Authority is always preparing for events in advance.

### **Key controls**

- B.35 The key controls for budgets and financial planning are:
- (a) specific budget approval for all expenditure
  - (b) budget managers (Chief Officers and senior managers) are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet for their budgets and the level of service to be delivered;
  - (c) budget managers nominate designated budget holders to be responsible for the day to day control of income and expenditure against a set budget for a cost centre, or group of cost centres, as directed by the budget manager
  - (d) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken
  - (e) under the Local Government Act 2003 there is a requirement for the Chief Finance Officer to prepare a report, for use when the

Authority is deciding its annual budget and council tax, on the robustness of the budget and the adequacy of the Authority's reserves. The government has a back-up power to impose a minimum level of reserves on an Authority that it considers to be making inadequate provisions.

- (f) The chief officer ensures that budgeted income for fees and charges has been calculated in line with the fees and charges policy.

### **Responsibilities of the Chief Finance Officer**

- B.36 To prepare and submit reports on budget prospects for the Cabinet, including resource constraints set by the Government, the robustness of the budget and the adequacy of the Authority's reserves. Reports should take account of financial prospects, where appropriate.
- B.37 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the full Council, and after consultation with the Cabinet and Chief Officers.
- B.38 To prepare and submit reports to the Cabinet on the aggregate spending plans of service and on the resources available to fund them, identifying, where appropriate, the implications for the level of council tax to be levied.
- B.39 To advise on the financial implications of spending decisions.
- B.40 To encourage the best use of resources and value for money by working with Chief Officers to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or savings options, and in developing financial aspects of service planning.

B.41 To advise the full Council on Cabinet proposals in accordance with his or her responsibilities under section 151 of the Local Government Act 1972.

### **Responsibilities of Chief Officers**

B.42 To prepare estimates of income and expenditure, in consultation with the Chief Finance Officer, to be submitted to the Cabinet.

B.43 To prepare budgets that are consistent with any relevant budget allocations, with the Authority's annual budget cycle and with guidelines issued by the Chief Finance Officer. The format should be prescribed by the Chief Finance Officer in accordance with the full Council's general directions.

B.44 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.

B.45 In consultation with the Chief Finance Officer and in accordance with the laid-down guidance and timetable, to prepare detailed draft revenue and capital budgets for consideration by the Cabinet and / or the Council in accordance with the budget and policy framework.

B.46 When drawing up draft budget requirements, to have regard to:

- (a) spending patterns and pressures revealed through the budget monitoring process
- (b) legal requirements
- (c) policy requirements as defined by the full Council in the approved policy framework
- (d) service developments
- (e) efficiency savings
- (f) the priorities of the elected mayor, the shared plan, the council plan and service plans.

## Resource allocation

### Why is this important?

B.47 A mismatch often exists between available resources and required resources. A common scenario is that available resources are not adequate to fulfil need/desire. It is therefore imperative that needs/desires are carefully prioritised and that resources are properly allocated, in order to fulfil all legal responsibilities. Resources may include staff, money, equipment, goods and materials.

### Key controls

B.48 The key controls for resource allocation are:

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

### Responsibilities of the Chief Finance Officer

B.49 To advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

B.50 To assist in the allocation of resources to budget managers.

### Responsibilities of Chief Officers

B.51 To work within budget limits and to utilise resources allocated, and further allocate resources, in the most efficient, effective and economic way.

B.52 To identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

## **Capital plans**

### **Why is this important?**

B.53 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs. As capital expenditure can involve very large sums of money it is important that capital projects are carefully appraised and managed to ensure that the project objectives are delivered.

B.54 The Local Government Act 2003 established a system for capital financing based on a prudential framework. Local Authorities now have the freedom to borrow funds to finance their capital programmes, without government consent. The framework requires that local authorities ensure their plans are affordable, prudent and sustainable. Capital expenditure should form an essential part of the Authority's asset management strategy and should be carefully prioritised in line with Authority policy in order to maximise the benefit of scarce resources.

### **Key controls**

B.55 The key controls for capital plans are:

- (a) specific approval by the full Council for the overall Capital Plan, this includes approval of the financing of the plan
- (b) responsibility for project proposals within the approved capital plan and subsequent delivery of the Capital Plan is a matter for Cabinet

- (c) approval by the Cabinet where capital schemes are to be financed by Authority funding (ie by borrowing, capital receipts or revenue contribution), up to a specified amount, and subject to the approval of the Council, when the expenditure exceeds this amount
- (d) approval by the Cabinet where capital schemes are to be financed from the revenue budget, up to a specified amount, and subject to the approval of the full Council, where the expenditure exceeds this amount in line with the Constitution
- (e) proposals for improvements and alterations to buildings must be approved by the appropriate Chief Officer
- (f) schedules for individual schemes within the overall budget approved by the full Council must be submitted to the relevant Chief Officer, in association with the Chief Finance Officer, Chief Executive and Elected Mayor, for approval (for example, minor works).
- (g) the development and implementation of asset management plans
- (h) accountability for each proposal is accepted by a named manager
- (i) monitoring of progress in conjunction with expenditure and comparison with approved budget. Regular reports of capital monitoring are required to be presented to the Cabinet as part of the financial management reports.
- (j) the prioritisation of the Investment Plan Reserve list is reviewed and approved by the Mayor and the Cabinet Member for Finance at the start of each financial year.

### **Responsibilities of the Chief Finance Officer**

B.56 To prepare the Authority's investment (capital) plan jointly with Chief Officers and the head of paid service and to report it to the Cabinet for approval. The Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the full Council. Approval from the Council is required where a Chief Officer proposes additional unsupported borrowing not anticipated in the investment plan, above an amount that will be specified on an annual basis by the Chief Finance Officer. The ranking process will include the Chief Finance

Officer, the Chief Executive and Cabinet, so that statutory or unforeseen matters relating to capital can be given consideration in the context of overall capital resources available to the Authority.

- B.57 To prepare and submit reports to the Cabinet on the capital outturn as compared with capital budget.
- B.58 To issue guidance concerning capital schemes and regulations, for example, on project appraisal techniques. The definition of 'capital expenditure' will be in accordance with standard accounting practice and government regulation.
- B.59 To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the investment plan provision by more than a specified amount which will be from time to time declared.

### **Responsibilities of Chief Officers**

- B.60 To comply with guidance concerning capital schemes and controls issued by the Chief Finance Officer.
- B.61 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the Chief Finance Officer, regardless of the source of funding of the proposed project.
- B.62 To prepare regular reports for the Chief Finance Officer reviewing the capital plan provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved investment plan for submission to the Chief Finance Officer.
- B.63 To ensure that adequate records are maintained for all capital contracts.

- B.64 To proceed with projects only when there is adequate provision in the investment plan and the project has been approved by Cabinet with the agreement of the Chief Finance Officer, where required. The funding of proposed projects must be clearly identified together with full financial implications (both revenue and capital) and a capital investment appraisal form must be completed for every capital project, regardless of the source of funding of the project.
- B.65 To prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, of any variation in contract costs greater than the approved limits. The Cabinet may meet cost increases of up to a specified percentage (which will be from time to time declared) by virement from savings elsewhere within the investment plan.
- B.66 To prepare and submit reports, jointly with the Chief Finance Officer, to the Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- B.67 To ensure that credit arrangements, such as leasing agreements, are not entered into without the prior approval of the Chief Finance Officer and, approval of the scheme through the investment plan.
- B.68 To consult with the Chief Finance Officer and to seek Cabinet approval where the Chief Officer proposes to bid for funding to finance a project where expenditure has not been included in the current year's investment plan.
- B.69 To comply with standing orders with respect to contracts in the administration of contracts.
- B.70 Where projects in the investment plan are included on the assumption of resources becoming available, no financial commitments should be entered into on these projects unless resources are confirmed as being available to the satisfaction of the Chief Finance Officer.

B.71 To ensure that one accountable manager is identified for the management of each capital project, ensuring that approved funding is spent in accordance with the capital plan, and the project is delivered within the timeframes set down in the investment plan.

## **MAINTENANCE OF RESERVES**

### **Why is this important?**

B.72 The local authority must decide the level of general reserves (balances) it wishes to maintain before it can decide the level of council tax. Reserves are maintained as a matter of prudence. They enable the Authority to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes may also be maintained. When an Authority is deciding its annual budget and council tax level it is required to take into account a report from the Chief Finance Officer on the adequacy of the Authority's reserves and robustness of the budget. The government has a backup power to impose a minimum level of reserves on an Authority that it considers to be making inadequate provisions.

### **Key controls**

B.73 To establish and maintain reserves in accordance with the Local Government Act 2003, Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) and agreed accounting policies.

B.74 For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

B.75 Transfers to and from reserves require authorisation by the appropriate Chief Officer in consultation with the Chief Finance Officer.

### **Responsibilities of the Chief Finance Officer**

B.76 To advise the Cabinet and/or the full Council on prudent levels of reserves for the Authority, and to take account of the advice of the external auditor in this matter. The Chief Finance Officer is also required to prepare a report on the adequacy of the Authority's reserves for use when the Authority is deciding its annual budget and council tax level.

### **Responsibilities of Chief Officers**

B.77 To ensure that reserves are used only for the purposes for which they were intended.

## **APPENDIX C – Financial Procedure Rules:**

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

#### **RISK MANAGEMENT**

##### **Why is this important?**

C.1 All organisations, whether private or public sector, face risks to people, property and continued operations. Risk is the chance or possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted or uncertain action or event. Risk management is the planned and systematic approach to the identification, evaluation and control of risk. Its objectives are to secure the assets of the organisation and to ensure the continued financial and organisational well-being of the organisation. In essence it is, therefore, an integral part of good business practice. Risk management is concerned with evaluating the measures an organisation already has in place to manage identified risks and then recommending the action the organisation needs to take to control these risks effectively.

C.2 It is the overall responsibility of the Cabinet to approve the Authority's risk management strategy, once this has been agreed, and to promote a culture of risk management awareness throughout the Authority.

##### **Key controls**

C.3 The key controls for risk management are:

- (a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority
- (b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis

- (c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives
- (d) provision is made for losses that might result from the risks that remain
- (e) procedures are in place to investigate claims within required timescales
- (f) acceptable levels of risk are determined and insured against where appropriate
- (g) the Authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

### **Responsibilities of the Chief Finance Officer**

- C.4 To ensure that the Authority's risk management policy statement is prepared and promoted throughout the Authority by the nominated officer.
- C.5 To develop risk management controls in conjunction with other Chief Officers.
- C.6 To include all appropriate employees of the Authority in a suitable fidelity guarantee insurance.
- C.7 To offer insurance cover to schools.
- C.8 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.

### **Responsibilities of Chief Officers**

- C.9 To notify the Chief Finance Officer immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Chief Finance Officer or the Authority's insurers.

- C.10 To take responsibility for risk management, having regard to advice from the Chief Finance Officer or nominated officer on behalf of the Chief Finance Officer and other specialist advice (e.g. crime prevention, fire prevention, health and safety).
- C.11 To ensure that there are regular reviews of risk within his or her service, in accordance with Authority policies and procedures.
- C.12 To notify the Chief Finance Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- C.13 To consult the Chief Finance Officer and the head of legal services on the terms of any indemnity that the Authority is requested to give.
- C.14 To ensure that employees, or anyone covered by the Authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

## **INTERNAL CONTROLS**

### **Why is this important?**

- C.15 The Authority is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.
- C.16 The Authority has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.
- C.17 The Authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

C.18 The system of internal controls is established in order to provide measurable achievement of:

- (a) efficient and effective operations
- (b) reliable financial information and reporting
- (c) compliance with laws and regulations
- (d) risk management.

### **Key controls**

C.19 The key controls and control objectives for internal control systems are:

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

### **Responsibilities of the Chief Finance Officer**

C.20 To assist the Authority to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.

### **Responsibilities of Chief Officers**

C.21 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.

C.22 To review existing controls in the light of changes affecting the Authority and to establish and implement new ones in line with guidance from the Chief Finance Officer and internal audit. Chief Officers should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.

C.23 To ensure staff have a clear understanding of the consequences of lack of control.

### **AUDIT REQUIREMENTS**

#### **Internal audit**

#### **Why is this important?**

C.24 The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit (England) Regulations 2015 as amended, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system

of internal control in accordance with proper practices in relation to internal control”.

C.25 Accordingly, internal audit is an independent and objective appraisal function established by the Authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources. Internal audit assists management in delivering the objectives of the Authority through assessing exposure to risk and recommending, where appropriate, practical improvements to the control environment. To this end, internal audit will have no executive responsibilities. Internal Audit’s remit includes:

- assessing if operations are being carried out as planned, and if objectives / goals are being achieved
- assessing the adequacy of systems established to ensure compliance with policies, plans, procedures, laws and regulations, i.e. rules established by the management of the organisation or externally
- assessing the completeness, reliability and integrity of information, both financial and operational
- assessing the extent to which the Authority’s assets, data and interests are properly accounted for and safeguarded from losses of all kinds, including fraud, corruption, waste, extravagance, abuse, ineffective management and poor value for money.
- assessing the economy, efficiency and effectiveness with which resources are deployed.

### **Key controls**

C.26 The key controls for internal audit are:

- (a) that it is independent in its planning and operation
- (b) the head of internal audit has direct access to the head of paid service, all levels of management and directly to elected Members

- (c) the internal auditors comply with the Auditing Practices Board's guideline *Guidance for Internal Auditors*, as interpreted by CIPFA's *Code of Practice for Internal Audit in Local Government in the United Kingdom*.

### **Responsibilities of the Chief Finance Officer**

C.27 To ensure that internal auditors have the authority to:

- (a) access Authority premises at reasonable times
- (b) access all assets, records, documents, correspondence and control systems
- (c) receive any information and explanation considered necessary concerning any matter under consideration
- (d) require any employee of the Authority to account for cash, stores or any other Authority asset under his or her control
- (e) directly access the head of paid service, the Cabinet and appropriate committees, in accordance with the terms of reference agreed for internal audit.

C.28 Internal audit shall also have access to all Officers, buildings, information, explanations and documentation required to discharge the audit role in respect of:

- Organisations to whom the Authority has given grants
- Organisations with whom the Authority contracts partner
- Organisations in any scheme for which the Authority has responsibility as lead or accountable body.

C.29 Such rights of access shall be written into the appropriate agreements with these organisations.

C.30 To approve the strategic and annual audit plans prepared by the head of internal audit, which take account of the characteristics and relative risks of the activities involved. In producing such audit plans, the head of internal audit shall have an unrestricted range of coverage of the Authority's operations; the head of internal

audit will have freedom to determine the priorities of internal audit in consultation with the Chief Finance Officer and Chief Officers.

C.31 To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.

### **Responsibilities of Chief Officers**

C.32 To ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets that the auditors consider necessary for the purposes of their work.

C.33 To ensure that auditors are provided with any information and explanations that they seek in the course of their work.

C.34 To consider and respond promptly to recommendations in audit reports.

C.35 To ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion.

C.36 To notify the Chief Finance Officer and head of internal audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources. Pending investigation and reporting, the Chief Officer should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration. If a serious irregularity is confirmed, the matter shall also be reported to the head of paid service, the mayor and the head of human resources.

C.37 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by Chief Finance Officer prior to implementation.

## External Audit

### Why is this important?

C.38 The external auditor has rights of access to all documents and information necessary for audit purposes.

C.39 The basic duties of the external auditor are defined in the Local Audit and Accountability Act 2014 which sets out the framework for audit of local authorities and the auditor's main objectives to review and report upon:

- (a) the audited body's accounts
- (b) the audited body's arrangements for securing economy, efficiency and effectiveness in the use of resources

C.40 The Authority's accounts are scrutinised by external auditors, who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Authority and its income and expenditure for the year in question and complies with the legal requirements.

### Key controls

C.41 External auditors are appointed normally for a minimum period of five years. The Comptroller and Auditor General has the responsibility of producing and issuing Codes of Audit Practice and guidance to auditors.

### Responsibilities of the Chief Finance Officer

C.42 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work.

C.43 To ensure there is effective liaison between external and internal audit.

C.44 To work with the external auditor and advise the full Council, Cabinet and Chief Officers on their responsibilities in relation to external audit.

### **Responsibilities of Chief Officers**

C.45 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.

C.46 To ensure that all records and systems are up to date and available for inspection.

### **PREVENTING FRAUD AND CORRUPTION**

#### **Why is it this important?**

C.47 The Authority will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside the Authority.

C.48 The Authority's expectation of propriety and accountability is that Members and staff at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

C.49 The Authority also expects that individuals and organisations (e.g. suppliers, contractors, service providers and partners) with whom it comes into contact will act towards the Authority with integrity and without thought or actions involving fraud and corruption.

#### **Key controls**

C.50 The key controls regarding the prevention of financial irregularities are that:

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

### **Responsibilities of the Chief Finance Officer**

C.51 To develop and maintain anti-fraud, anti-corruption, anti-money laundering and anti-bribery policies.

C.52 To maintain adequate and effective internal control arrangements.

C.53 To ensure that all suspected irregularities are reported to the head of internal audit; to report fraud or irregularity necessitating police involvement to the mayor, head of paid service and Director of Resources.

### **Responsibilities of Chief Officers**

C.54 To ensure that all suspected irregularities are reported to the Chief Finance Officer and head of internal audit.

C.55 To instigate the Authority's corrective and disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

C.56 To ensure that where financial impropriety is discovered, the Chief Finance Officer is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.

C.57 To maintain a service register of interests, gifts and hospitality, and to ensure that all staff within the service are made aware of their duty to declare interests, or offers of gifts or hospitality, which may conflict with their role as a Authority employee; to disseminate and publicise the Authority's anti-fraud and corruption policy and strategy to all staff within the service of the Chief Officer.

## **ASSETS**

### **Security**

#### **Why is this important?**

C.58 The Authority holds assets in the form of property, vehicles, equipment, furniture and other items worth many millions of pounds. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and information required for service operations. An up-to-date asset register is a prerequisite for proper fixed asset accounting and sound asset management.

#### **Key controls**

C.59 The key controls for the security of resources such as land, buildings, fixed plant machinery, equipment, software and information are:

- (a) resources are used only for the purposes of the Authority and are properly accounted for
- (b) resources are available for use when required

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

### **Responsibilities of the Chief Finance Officer**

C.60 To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of an amount which will be declared from time to time. The function of the asset register is to provide the Authority with information about fixed assets so that they are safeguarded, used efficiently and effectively adequately maintained.

C.61 To receive the information required for accounting, costing and financial records from each Chief Officer, and to determine the method of valuation of stores.

C.62 To ensure that assets are valued in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC).

### **Responsibilities of Chief Officers**

- C.63 The appropriate Chief Officer shall maintain a property database in a form approved by the Chief Finance Officer for all properties, plant and machinery and moveable assets currently owned or used by the Authority. Any use of property by a service or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- C.64 To ensure that lessees and other prospective occupiers of Authority land are not allowed to take possession or enter the land until a lease or agreement, in a form approved by the Chief Officer in consultation with the Head of Law, Head of Governance and the Chief Finance Officer, has been established as appropriate.
- C.65 To ensure the proper security of all buildings and other assets under their control.
- C.66 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Chief Officer and the Chief Finance Officer; any such recommendation must comply with the relevant provisions as detailed in standing orders with respect to contracts.
- C.67 To pass title deeds to the appropriate Chief Officer who is responsible for custody of all title deeds.
- C.68 To ensure that no Authority asset is subject to personal use by an employee without proper authority. The Authority will adopt a Policy on the Acceptable Use of Authority Equipment and Resources which Chief Officers must distribute and enforce.
- C.69 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the Authority.
- C.70 To ensure that the service maintains a register of moveable assets in accordance with arrangements defined by the Chief Finance Officer.

- C.71 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.
- C.72 To consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- C.73 To ensure cash holdings on premises are kept to a minimum, and take cognisance of the Authority's insurance arrangements for such holdings.
- C.74 To ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times; loss of any such keys must be reported to the Chief Finance Officer and internal audit as soon as possible.
- C.75 To examine on a regular basis, at not more than twelve monthly intervals, all stocks. Any slow-moving items or obsolete stocks should be identified and appropriate remedial action taken.
- C.76 To record all disposal or part exchange of assets in accordance with the Authority's standing orders with respect to contracts.
- C.77 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the Chief Finance Officer.
- C.78 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the Authority in some way.

## **Inventories**

- C.79 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery with an individual value exceeding £200.
- C.80 To carry out an annual check of all items on the inventory in order to verify location, review, condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Significant variations should be brought to the attention of the Chief Finance Officer and head of internal audit. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Authority. Guidance on the disposal of obsolete inventory or that surplus to requirements is given in C.85.
- C.81 To make sure that property is only used in the course of the Authority's business, unless the Chief Officer concerned has given permission otherwise.

### **Stocks and stores**

- C.82 To make arrangements for the care and custody of stocks and stores in the service.
- C.83 To ensure stocks are maintained at reasonable levels (which do not exceed normal business requirements) and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion; significant discrepancies should be brought to the attention of the Chief Finance Officer and head of internal audit.
- C.84 To investigate and remove from the Authority's records (i.e. write off) discrepancies as necessary, or to obtain Cabinet approval if they are in excess of a predetermined limit which will be announced on an annual basis.
- C.85 To authorise or write off disposal of redundant stocks, equipment or inventory after consultation with the Chief Finance Officer. Separate asset disposal guidelines will be drafted by the Chief

Finance Officer and these guidelines should be explicitly followed in the case of redundant stocks, equipment or inventory. The asset disposal guidelines will require that first consideration should be given to transfer of the items to another service, in which case this should be clearly recorded in the records of each service. Where there is no demand for the items by other service within the Authority, the asset disposal guidelines will require that items must be valued and disposed of in accordance with the guidelines available from the Chief Finance Officer. Procedures for disposal of such items will usually require the invitation of competitive quotations or auction, unless, following consultation with the Chief Finance Officer, the Cabinet decides otherwise in a particular case. Where stock is disposed of by quotations / open tender, the highest offer shall be accepted and documentary evidence shall be retained in respect of all tenders received. Proposed disposal of art works or property held in trust must in the first instance be checked with Legal Services, as there may be special circumstances pertaining to such assets which must be examined on a case by case basis.

C.86 To seek Cabinet approval to the write-off of redundant stocks and equipment in excess of a predetermined sum.

C.87 To ensure that all stores issues, except in the case of small value materials, are supported by a requisition stating the quantity required which is approved by an authorised signatory.

C.88 To ensure that delivery notes are obtained in respect of all goods received into store and that the goods are checked with both the delivery note and official order as regards quantity and specification compliance as soon as possible.

C.89 To provide the Chief Finance Officer with such information as he or she requires in relation to stores for accounting, costing and financial records.

### **Intellectual property**

## **Why is this important?**

C.90 Intellectual property is a generic term that includes inventions and writing. If these are created by the employee during the course of employment, then, as a general rule, they belong to the employer, not the employee. Various acts of Parliament cover different types of intellectual property.

C.91 Certain activities undertaken within the Authority may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property.

## **Key controls**

C.92 In the event that the Authority decides to become involved in the commercial exploitation of intellectual property, guidelines for this should be drafted.

## **Responsibilities of the Chief Finance Officer**

C.93 To develop and disseminate good practice and guidelines on the ownership and exploitation of intellectual property, in conjunction with other relevant Officers of the Authority (e.g. the Head of Law and Head of Governance).

## **Responsibilities of Chief Officers**

C.94 To ensure that controls are in place to ensure that staff do not carry out private work in Authority time and that staff are aware of an employer's rights with regard to intellectual property.

## **Asset disposal**

### **Why is this important?**

C.95 It would be uneconomic and inefficient for the cost of assets to outweigh their benefits. Obsolete, non-repairable or unnecessary resources should be disposed of in accordance with the law and the regulations of the Authority.

### **Key controls**

C.96 Assets for disposal are identified and are disposed of at the most appropriate time, and only when it is in the best interests of the Authority, and best price is obtained, bearing in mind other factors, such as environmental issues. For items of significant value, disposal should be by competitive tender or public auction.

C.97 Procedures protect staff involved in the disposal from the potential for accusations of personal gain.

### **Responsibilities of the Chief Finance Officer**

C.98 To issue guidelines representing best practice for disposal of assets (see C.85).

C.99 To ensure appropriate accounting entries are made to remove the value of disposed assets from the Authority's records and to include the sale proceeds if appropriate.

### **Responsibilities of Chief Officers**

C.100 To seek advice from the Chief Finance Officer on the disposal of surplus or obsolete materials, stores or equipment, and to follow the asset disposal guidelines prepared by the Chief Finance Officer (see C.85).

C.101 To ensure that maximum income is received for the disposal of an asset (see C.85), and is properly banked and coded.

## **TREASURY MANAGEMENT**

**Why is this important?**

C.102 Many millions of pounds pass through the Authority's books each year. Codes of practice governing the appropriate way of administering these funds have become established. These aim to provide assurances that the Authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the Authority's capital sum.

**Key controls**

C.103 That the Authority's borrowings and investments comply with the CIPFA Treasury Management Code and with the Authority's Treasury Management Policy Statement.

**Responsibilities of Chief Finance Officer – treasury management**

C.104 To arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA Treasury Management Code and the Authority's Treasury Management Policy Statement and Strategy.

C.105 In accordance with CIPFA's Treasury Management Code, to report on a regular basis on treasury management activities to Cabinet and the Finance sub-Committee. This is approved by Council on an annual basis.

C.106 To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Chief Finance Officer, and all such accounts must be in the name of the Authority.

**Responsibilities of Chief Officers – treasury management**

C.107 To follow the instructions on banking issued by the Chief Finance Officer, and to comply with the Authority's treasury management policy statement; to ensure that Authority cheques held within (or being transported from or to) the Chief Officer's service are securely stored, administered and controlled.

#### **Responsibilities of Chief Finance Officer – investments and borrowing**

C.108 To ensure that all investments of money are made in the name of the Authority or in the name of nominees approved by the full Council.

C.109 To ensure that all securities that are the property of the Authority or its nominees and the title deeds of all property in the Authority's ownership are held in the custody of the appropriate Chief Officer.

C.110 To effect all borrowings in the name of the Authority.

C.111 To act as the Authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Authority.

C.112 To ensure that arrangements exist which provide for an officer other than the officer who usually makes investments to monitor investment levels, which should be periodically reviewed.

C.113 To ensure that an adequate division of duties exists between the arranging and settling of transactions.

#### **Responsibilities of Chief Officers – investments and borrowing**

C.114 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the approval of the full Council, following consultation with the Chief Finance Officer.

#### **Responsibilities of Chief Officers – trust funds and third party funds**

C.115 To arrange for all trust funds to be held, wherever possible, in the name of the Authority. All officers acting as trustees by virtue of

their official position shall deposit securities, etc relating to the trust with the Chief Finance Officer, unless the deed otherwise provides.

C.116 To arrange, where funds are held on behalf of third parties, for their secure administration, approved by the Chief Finance Officer, and to maintain written records of all transactions.

C.117 To ensure that trust funds are operated within any relevant legislation and the specific requirements for each trust.

### **Responsibilities of the Chief Finance Officer – imprest accounts**

C.118 To provide employees of the Authority with cash or bank imprest accounts to meet minor expenditure on behalf of the Authority and to prescribe rules for operating these accounts. For petty cash imprests, expenditure on goods should not usually exceed £25 for any one transaction; payments may not be broken down in order to avoid this limit. For cheque accounts (see C.117), individual cheques should be signed by at least two authorised signatories, a list of whom should be provided to the Chief Finance Officer and regularly updated. Cheques should never be 'pre-signed', or signed when the account payee or value of the cheque is blank.

C.119 Where appropriate, to open an account with the Authority's bankers for use by the imprest holder who shall not overdraw the account. It shall be a standing instruction to the Authority's bankers that the amount of any overdrawn balance shall forthwith be notified to the Chief Finance Officer.

C.120 To determine the petty cash advance limit and to maintain a record of all transactions and petty cash advances made, and periodically to review the arrangements for the safe custody and control of these advances.

C.121 To reimburse imprest holders as often as necessary to restore the imprests, but normally not more than monthly.

C.122 To inform all Chief Officers of the Authority's insurance cover with regard to cash holdings.

### **Responsibilities of Chief Officers – imprest accounts**

C.123 To ensure that employees operating an imprest account:

- obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained, to ensure that VAT may be reclaimed where appropriate
- make adequate arrangements for the safe custody of the account, having regard to the Authority's insurance cover where appropriate
- produce upon demand by the Chief Finance Officer cash and all vouchers to the total value of the imprest amount
- record transactions promptly respect the £25 limit for petty cash payments, unless in exceptional circumstances the Chief Officer has allowed a higher value for a particular purchase
- reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
- ensure a petty cash payment slip is completed for every reimbursement which is made, signed by the claimant, authorised by his or her line manager, and signed by the person making the petty cash payment (who shall be an authorised signatory for such purposes). Receipts must be obtained to back up all expenditure made and reclaimed through the petty cash account and attached to the petty cash payment slip to comply with the requirements of the Inland Revenue
- provide the Chief Finance Officer with a certificate of the value of the account held at 31 March each year
- ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made. Income should never be paid into a petty cash account, but banked separately as required by these Financial Regulations

- on leaving the Authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Chief Finance Officer for the amount advanced to him or her, and surrender the imprest and associated records to the Chief Officer or their nominated senior representative
- Advises the Chief Officer of any significant imbalances which cannot be reconciled; the Chief Officer should then contact the Chief Finance Officer for advice.

## **STAFFING**

### **Why is this important?**

C.124 In order to provide the highest level of service, it is critical that the Authority recruits and retains high calibre, knowledgeable staff, qualified to an appropriate level.

### **Key controls**

C.125 The key controls for staffing are:

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

### **Responsibilities of the Chief Finance Officer**

C.126 To ensure that budget provision exists for all existing and new employees.

C.127 To act as an advisor to Chief Officers on areas such as National Insurance and pension contributions, as appropriate.

## Responsibilities of Chief Officers

- C.128 To produce an annual staffing budget.
- C.129 To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to appropriate revenue budget provision (including on-costs and overheads).
- C.130 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- C.131 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.
- C.132 To ensure that the Director of Resources and the Chief Finance Officer are immediately informed if the staffing budget is likely to be materially over- or under-spent.
- C.133 To ensure that adequate employment checks are made in respect of any individuals to whom it is proposed to make an offer of employment, in line with instructions issued by the Director of Resources. This should include the obtaining of employment references, evidence of qualifications where such qualifications are a requirement of the offer of employment, identity and Criminal Records Bureau (CRB) checks where appropriate. Such employment checks should be performed in respect of both new employees, and (if appropriate) where existing staff are redeployed from elsewhere within the Authority.
- C.134 To ensure that a record is maintained within the service of all identity cards, safe keys, building keys, equipment (including mobile telephones), and clothing belonging to the Authority which have been issued to employees. Staff leaving the employment of the Authority must be required to return on, or by their last working day, all such items.

## **APPENDIX D – Financial Procedure Rules:**

### **Financial Systems and Procedures**

#### **GENERAL**

#### **Why is this important?**

- D.1 Services have many systems and procedures relating to the control of the Authority's assets. Management information must be accurate and the systems and procedures sound and well administered. Systems should contain controls to ensure that transactions are properly processed and errors detected promptly.
- D.2 The Chief Finance Officer has a professional responsibility to ensure that the Authority's financial systems are sound and should therefore be notified of any new developments or changes.

#### **Key controls**

- D.3 The key controls for systems and procedures are:
- (a) basic data exists to enable the Authority's objectives, targets, budgets and plans to be formulated
  - (b) performance is communicated to the appropriate managers on an accurate, complete and timely basis
  - (c) early warning is provided of deviations from target, plans and budgets that require management attention
  - (d) operating systems and procedures are secure.

#### **Responsibilities of the Chief Finance Officer**

- D.4 To make arrangements for the proper administration of the Authority's financial affairs, including to:

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

### **Responsibilities of Chief Officers**

- D.5 To ensure that accounting records are properly maintained and held securely.
- D.6 To ensure that vouchers and documents with financial implications are not destroyed within the document retention periods set out in paragraph 7.11 - 7.14 of the Financial Regulations.
- D.7 To ensure that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- D.8 To incorporate appropriate controls to ensure that, where relevant:
  - (a) all input is genuine, complete, accurate, timely and not previously processed
  - (b) all processing is carried out in an accurate, complete and timely manner
  - (c) output from the system is complete, accurate and timely.
- D.9 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- D.10 To ensure there is a documented and tested disaster recovery plan / business continuity plan to allow information system

processing to resume quickly in the event of an interruption, and that this plan is shared widely with appropriate staff within the service.

- D.11 To ensure that systems are documented and staff trained in operations.
- D.12 To inform the Chief Finance Officer and internal audit before changing any existing system or introducing new systems; details of the proposed change, anticipated benefits, an estimate of the costs involved and the proposed implementation dates should be provided. Internal audit advice should be sought at as early a stage as possible and approval to implement such systems is to be obtained from the Chief Finance Officer in writing. Any proposed changes to ICT systems should be compatible with the ICT strategy.
- D.13 To comply with the Authority's Officer Delegation Scheme, and to establish a schedule of authorised signatories identifying officers authorised to act on the Chief Officer's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- D.14 To supply the schedule of authorised signatories, with specimen signatures and delegated limits, to the Chief Finance Officer, together with any subsequent variations.
- D.15 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems in accordance with the computer security policy. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- D.16 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.

- D.17 To ensure that relevant standards and guidelines for computer systems issued by the Chief Officer are observed, and that the computer security policy is observed.
- D.18 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- D.19 To comply with the copyright, designs and patents legislation and, in particular, to ensure that:
- (a) only software legally acquired and installed by the Authority is used on its computers
  - (b) staff are aware of legislative provisions
  - (c) in developing systems, due regard is given to the issue of intellectual property rights.

## **INCOME AND EXPENDITURE**

### **Income**

#### **Why is this important?**

D.20 Income can be a vulnerable asset and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. It is preferable to obtain income in advance of supplying goods or services as this improves the Authority's cashflow and also avoids the time and cost of administering debts.

#### **Key controls**

D.21 The key controls for income are:

- (a) all income due to the Authority is identified and charged correctly, in accordance with the fees and charges policy, which is annually reviewed.

- (b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery
- (c) all money received by an employee on behalf of the Authority is banked without delay (by deposit at a customer services centre, directly into the Authority's bank account or given to an approved security company appointed by the Authority) and properly recorded. The responsibility for cash collection should be separated from that:
  - for identifying the amount due
  - for reconciling the amount due to the amount received
- (d) effective action is taken to pursue non-payment within defined timescales
- (e) formal approval for debt write-off is obtained
- (f) appropriate write-off action is taken within defined timescales
- (g) appropriate accounting adjustments are made following write-off action
- (h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention periods specified in paragraph 7.11 of the Financial Regulations
- (i) money collected and deposited is reconciled to the bank account and / or general ledger system by a person who is not involved in the collection or banking process
- (j) all controlled stationery associated with income collection (e.g. receipt books, paying in books etc) is held in a controlled environment.

## **Responsibilities of the Chief Finance Officer**

- D.22 To agree arrangements for the collection of all income due to the Authority and to approve the procedures, systems and documentation for its collection.
- D.23 To issue guidelines to services on appropriate procedures for the order and supply of all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.
- D.24 To agree the write-off of bad debts up to an approved limit as detailed in the Officers' Scheme of Delegation.
- D.25 To approve debts to be written off, in consultation with the relevant Chief Officer, as detailed in the Officers' Scheme of Delegation and to adhere to the requirements of the Accounts and Audit (England) Regulations 2015 as amended.
- D.26 To obtain the approval of the Cabinet in consultation with the relevant Chief Officer for writing off debts in excess of the approved limits set down in the Officers' Scheme of Delegation.
- D.27 To ensure that appropriate accounting adjustments are made following write-off action.
- D.28 To issue detailed guidance to services regarding VAT and its correct treatment.
- D.29 To examine any proposal for the introduction of, or a variation in, a scale of charges other than those agreed at national or regional level.
- D.30 To inform Chief Officers of the Authority's insurance limits relating to cash holdings.
- D.31 To make or approve arrangements with the Authority's bankers and to operate such bank accounts as are considered necessary.

No bank accounts or similar may be opened without the consent of the Chief Finance Officer. The maintenance of Authority bank accounts shall be in accordance with arrangements determined by the Chief Finance Officer.

- D.32 To make or approve all arrangements in connection with electronic payment and collection of moneys and to ensure that adequate security exists within these arrangements to prevent loss due to error or fraud.
- D.33 To ensure that all cheques and other orders for payment bear the facsimile signature of the Chief Finance Officer or be signed by the Chief Finance Officer or other officers so authorised.

### **Responsibilities of Chief Officers**

- D.34 To establish a charging policy for the supply of goods or services in line with the fees and charges policy, including the appropriate charging of VAT, and to review it at least annually, in line with corporate policies and in consultation with the Chief Finance Officer and Monitoring Officer. After this consultation, the charging policies proposed by Chief Officers should be referred to Cabinet for approval.
- D.35 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- D.36 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- D.37 To issue official receipts or to maintain other documentation for income collection. All sums shall be immediately acknowledged by the issue of an official receipt or ticket or by other means agreed with the Chief Finance Officer. Payments by cheque or electronic means need not be acknowledged unless requested.

- D.38 To ensure that controlled stationery is administered securely. A register should be maintained of all controlled stationery held and that issued to staff, and blank / unused stationery should only be issued to staff on receipt of their signature in the register. A regular independent reconciliation of physical controlled stationery stocks to the register should be performed, by an officer within the service area who is not directly involved in the administration or use of such stationery.
- D.39 To hold securely receipts, tickets and other records of income for the appropriate period as defined in paragraph 7.11 - 7.14 of the Financial Regulations.
- D.40 To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling, having regard to the Authority's insurance provisions for cash holdings.
- D.41 To ensure that safe keys are securely held by named officers at all times and that a register of such keyholders is maintained.
- D.42 To ensure that income is 'banked intact', that is paid fully and promptly into the appropriate Authority bank account, a customer services centre, or to an approved security company appointed by the Authority in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account and / or general ledger system on a regular basis. Payment / banking shall be at least weekly, unless otherwise agreed by the Chief Finance Officer. Where amounts in hand exceed £500, or the insurance limit for cash holdings (whichever is the lesser), they shall be paid in forthwith, unless there is an agreed collection schedule arranged with the Authority's approved security collection service. In these latter circumstances, Chief Officers must ensure by liaison with the Chief Finance Officer

that the insurance limit on their safe is adequate to cover the value of moneys received and held.

- D.43 To ensure income is not used to cash personal cheques or other payments, unless such cheques are drawn on the Authority's bank account and the express authority of the Chief Finance Officer has been given to such action, or to finance expenditure.
- D.44 To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Chief Finance Officer to record correctly the sums due to the Authority and to ensure debtor accounts are sent out promptly. To do this, Chief Officers should use established performance management systems to monitor recovery of income and flag up areas of concern to the Chief Finance Officer. Chief Officers have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Authority's behalf. Only cash holdings of an approved level (as defined by the Authority's insurance arrangements available from the Chief Finance Officer) can be held on the premises.
- D.45 To keep a record of every transfer of money (cash or cheque) between employees of the Authority; such a transfer should be immediately evidenced in writing. The receiving officer must sign for the transfer and the transferor must retain a copy.
- D.46 To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

- D.47 To obtain the approval of the Chief Finance Officer when writing off debts, in accordance with the provisions of the Officers' Scheme of Delegation, and the approval of the Cabinet where required.
- D.48 To notify the Chief Finance Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.
- D.49 To ensure that the existence of any sums advanced as change monies by the Chief Finance Officer are periodically verified by an independent officer.
- D.50 To ensure that levels of income received are compared to budgeted figures of income due on a regular basis and that differences are promptly investigated. Where a decision is made by a Chief Officer to offer services at a discount (for example, to increase demand), the 'discount' / reduced income will be borne by the service area and must be made in line with the fees and charges policy. In making such decisions, the Chief Officer must have regard to the overall income targets set for the service area.
- D.51 To obtain the advice of the Chief Finance Officer on any agreements which provide for variable income and the approval of the Chief Finance Officer for arrangements to pay by instalments, in line with the fees and charges policy.
- D.52 To ensure, wherever possible and practical, that income is collected in advance of a service or where this is not possible by an official invoice.
- D.53 To ensure that grant claims requiring certification in the name of the Chief Finance Officer are submitted for approval to the Chief Finance Officer on a timely basis.
- D.54 To ensure that any donations made to the Authority are receipted and banked in accordance with the procedures set out above, and

charged against an appropriate income code in the Authority's accounts.

## **Ordering and paying for work, goods and services**

### **Why is this important?**

D.55 Public money should be spent with demonstrable probity and in accordance with the Authority's policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Authority's procedures should help to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the Authority's standing orders with respect to contracts.

### **General**

D.56 Every officer and Member of the Authority has a responsibility to declare any links, relationships or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, in accordance with the Authority's codes of conduct and section 117 of the Local Government Act 1972.

D.57 Official orders must be in a form approved by the Chief Finance Officer. In the case of goods procured through the electronic ordering system, an electronic order is raised on that system, paper-based ordering books may be used by exception. Official orders must be completed for all work, goods or services to be supplied to the Authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Chief Finance Officer (such as construction works, payments under contract, and purchases made using purchase cards). In the case of periodic payments or contracts, documentary evidence of the instigation of the contractual obligation and terms (e.g. duration of agreement,

price charged) should be retained and invoices checked and agreed to the agreement terms prior to payment.

D.58 Apart from petty cash, schools' own bank accounts and other payments from advance accounts, the normal method of payment from the Authority shall be by cheque or BACs transmission, drawn on the Authority's bank account by the Chief Finance Officer. The use of direct debit / standing orders shall require the prior agreement of the Chief Finance Officer.

D.59 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Authority contracts. Staff involved in ordering or otherwise committing expenditure must ensure that there is budgetary provision before an order is placed, and that standing orders with respect to contracts are complied with.

D.60 Purchase cards can be used for the purchase of low value / high volume goods and services. Cards must not be used for personal purchases and intentional misuse of a card will constitute gross misconduct. Individuals will be personally responsible for all purchases made using their card and must maintain a record of their transactions.

### **Key controls**

D.61 The key controls for ordering and paying for work, goods and services are:

- (a) all goods and services are ordered only by appropriate persons, as detailed on service authorised signatory lists, and are correctly recorded on official order forms (subject to D.58 above)
- (b) where goods or services are purchased from outside the Authority, the Authority's standing orders with respect to contracts must be followed

- (c) goods and services received are checked to ensure they are in accordance with the order.
- (d) payments are not made unless goods have been received by the Authority at the correct price, quantity and quality standards
- (e) all payments are made to the correct person / body, for the correct amount and are properly recorded, regardless of the payment method
- (f) all appropriate evidence of the transaction and payment documents are retained and stored for the period stated in paragraph 7.11 of the Financial Regulations
- (g) all expenditure, including VAT, is accurately recorded against the correct budget
- (h) in addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

### **Responsibilities of the Chief Finance Officer**

- D.62 To ensure that all the Authority's financial systems and procedures are sound and properly administered.
- D.63 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- D.64 To approve the form of official orders (both electronic and hard copy).
- D.65 To make payments from the Authority's funds on the Chief Officer's authorisation that the expenditure has been duly incurred in accordance with Financial Regulations.
- D.66 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.

- D.67 To make payments to contractors on the certificate of the appropriate Chief Officer, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- D.68 To provide advice and encouragement on making payments by the most economical means.
- D.69 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring reports.

### **Responsibilities of Chief Officers**

- D.70 To ensure that contractual terms and conditions for the supply of goods and services are in the Authority's best interests.
- D.71 To ensure in the case of the electronic procurement system, official electronic orders, are used for all goods and services, other than in the case of exceptions specified in D.58. Orders must be raised as soon as is practicable and fully completed, especially with regard to the price agreed for the items or services. Only in emergency situations can an order be raised after receipt of an invoice, and the order should then be clearly marked 'confirmation only'.
- D.72 The policies and procedures set out in 'Contract Standing Orders' should be adhered to at all times.
- D.73 To ensure that orders are only used for goods and services provided to the service; to ensure that adequate systems are in place to prevent the use of official orders by individuals to obtain goods or services for their private use.
- D.74 To ensure that only those staff authorised by him or her, as recorded on the service authorised signatory list, authorise orders; and to ensure that the authorised signatory list is kept up to date,

includes specimen signatures and initials and identifies in each case the limits of each authorised signatory's authority. Chief Officers should ensure that those authorised signatories committing the service to expenditure are aware of their responsibilities to be satisfied that goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained in accordance with standing orders with respect to contracts. Best value principles should underpin the Authority's approach to procurement. Value for money should always be achieved.

D.75 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order and of sufficient quality and quantity. This check should, where possible, be carried out by a different Officer to the person who authorised the order. Appropriate entries should then be made in inventories or stores records.

D.76 To ensure that payment is not made unless a proper VAT invoice has been received, checked, coded and certified for payment, confirming:

- (a) receipt of goods or services
- (b) that the invoice has not previously been paid
- (c) that expenditure has been properly incurred and is within budget provision
- (d) that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices
- (e) correct accounting treatment of tax
- (f) that the invoice is correctly coded
- (g) that discounts have been taken where available
- (h) that appropriate entries will be made in accounting records and stores / inventories records.

D.77 To ensure that two authorised members of staff are involved in the ordering, receiving and payment process. If possible, a different

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

D.78 To ensure that the service maintains and reviews periodically a list of staff approved to authorise invoices. Names of authorising officers together with specimen signatures and details of the limits of their authority shall be forwarded to the Chief Finance Officer.

D.79 To ensure that payments are not made on a photocopied invoice, statement or document other than the formal invoice, except where the requirements relating to faxed invoices (see below) are met. Payment should not be made on a photocopied invoice, as this may affect the Authority's ability to reclaim VAT. Where the original invoice has not reached the Authority for whatever reason, an official duplicate invoice (not a photocopy) should be requested from the supplier. Alternatively, it is permissible to accept a faxed invoice from a supplier, where the supplier's name and fax number are shown clearly in machine printed details on the fax receipt. Sufficient checks must be performed to ensure that the duplicate or faxed invoice has not previously been paid. The duplicate or faxed invoice must be clearly marked 'checked and not previously paid' and initialled by the officer performing this check.

D.80 To encourage suppliers of goods and services to receive payment by the most economical means for the Authority. It is essential, however, that payments made by direct debit / standing order have the prior approval of the Chief Finance Officer. Payments made by direct debit / standing order should be reviewed by the relevant Chief Officer regularly, at least annually.

D.81 To ensure that the service obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality.

- D.82 To ensure that standing orders with respect to contracts are explicitly complied with.
- D.83 To ensure that employees are aware of codes of conduct and the requirements to declare any personal or pecuniary interests.
- D.84 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the Chief Finance Officer. This is because of the potential impact on the Authority's borrowing powers, to protect the Authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.
- D.85 To notify the Chief Finance Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.
- D.86 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the Chief Finance Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.
- D.87 To notify the Chief Finance Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.
- D.88 To ensure that all appropriate payment records are retained and stored for the periods outlined in paragraph 7.11 - 7.14 of the Financial Regulations.
- D.89 To adhere to the requirements of the Late Payment of Commercial Debts (Interest) Act 1998. Invoices subject to prompt payment shall be passed in sufficient time to enable discounts to be claimed;

where credit terms are not stated, invoices should normally be paid within 30 days.

D.90 To ensure that where grants can be claimed on expenditure incurred, that appropriate grant conditions are known and that arrangements are in place to ensure that payments meet these conditions with regard to types of expenditure, payment dates etc.

D.91 To review the limits and categories of expenditure in respect of purchase cards used within the services on an annual basis.

## **Payments to employees and Members**

### **Why is this important?**

D.92 Staff costs are the largest item of expenditure for most Authority services. It is therefore important that payments are accurate, timely, made only where they are due for services to the Authority and that payments accord with individuals' conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that Members' allowances are authorised in accordance with the scheme adopted by the full Council.

### **Key controls**

D.93 The key controls for payments to employees and Members are:

(a) proper authorisation procedures are in place and that payments are made on the basis of timesheets or claims and there is adherence to corporate timetables in relation to:

- starters
- leavers
- variations
- enhancements

- (b) frequent reconciliation of payroll expenditure against approved budget and bank account
- (c) all appropriate payroll documents are retained and stored for the defined period detailed in paragraph 7.11 – 7.14 of the Financial Regulations
- (d) that Inland Revenue regulations are complied with.

### **Responsibilities of the Chief Finance Officer**

D.94 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.

D.95 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.

D.96 To make arrangements for payment of all travel and subsistence claims.

D.97 To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.

D.98 To provide advice and encouragement to secure payment of salaries and wages by the most economical means.

D.99 To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

### **Responsibilities of Chief Officers**

D.100 To ensure appointments are made in accordance with the regulations of the Authority and approved establishments, grades and scale of pay and that adequate budget provision is available.

D.101 To notify the Chief Finance Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the Chief Finance Officer.

D.102 To ensure that adequate and effective systems and procedures are operated, so that:

- payments are only authorised to bona fide employees
- payments are only made where there is a valid entitlement
- conditions and contracts of employment are correctly applied
- employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

D.103 To send an up-to-date list of the names of officers authorised to sign records to the head of human resources and manager (payroll services), together with specimen signatures.

D.104 To ensure that payroll transactions are processed only through the payroll system. Chief Officers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. The Inland Revenue applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Chief Finance Officer.

D.105 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Authority, ensuring that cost-effective use of travel arrangements is achieved. Claims submitted must provide sufficient information to allow such certification to take place. Due consideration should be given to tax implications and

that the Chief Finance Officer is informed of such implications where appropriate.

- D.106 To ensure that the Chief Finance Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- D.107 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention periods set out in paragraph 7.11 of the Financial Regulations. This includes completed car mileage books / sheets and holiday cards which should be retained by the service.
- D.108 To ensure that receipts are provided for expenditure claimed wherever possible, as required by the HMRC.
- D.109 To ensure that employees' travel and subsistence claims are usually submitted on a monthly basis. At the discretion of the Chief Officer, however, subsistence claims of less than £20 or travel claims of less than 100 miles may be held by the employee and submitted at a future date when the aggregated claim exceeds these values. All claims in respect of a financial year must however be submitted no later than one month following 31<sup>st</sup> March in any year.
- D.110 To ensure that all timesheets or other pay documents are in a form prescribed or approved by the Chief Finance Officer and shall be duly certified by a nominated officer.
- D.111 To maintain a personal record file for each employee within the approved establishment, containing a copy of the employee's contract of employment together with sufficient information to identify service, salary scale and current amount payable, sickness leave taken and annual leave due and taken.

D.112 On a regular basis each Chief Officer shall be provided by the Chief Finance Officer with a list of staff currently being paid by the Authority within his or her service, and the rate at which each is currently being paid. The Chief Officer shall certify that every name on the list is a bona fide employee of the service and that the rate of payment to the employee is correct. Any discrepancies discovered should be communicated immediately to the Chief Finance Officer, manager of payroll services and head of internal audit.

### **Responsibilities of Members**

D.113 To submit claims for Members' travel and subsistence allowances on a monthly basis. Where claims are for values of less than £20, these may be held by the Member and submitted at a future date when the aggregated claim exceeds this value. Claims in respect of a financial year must however be submitted within one month of the year end.

## **TAXATION**

### **Why is this important?**

D.114 Like all organisations, the Authority is responsible for ensuring its tax affairs are in order. Tax issues are often very complex and the penalties for incorrectly accounting for tax are severe. It is therefore very important for all officers to be aware of their role.

### **Key controls**

D.115 The key controls for taxation are:

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

### **Responsibilities of the Chief Finance Officer**

D.116 To complete all Inland Revenue returns regarding PAYE.

D.117 To complete a monthly return of VAT inputs and outputs to HM Revenues and Customs.

D.118 To provide details to the HM Revenues and Customs regarding the construction industry tax deduction scheme.

D.119 To maintain up-to-date guidance for Authority employees on taxation issues, including VAT.

### **Responsibilities of Chief Officers**

D.120 To ensure that the correct VAT liability is attached to all income due and that all VAT recoverable on purchases complies with HM Revenue and Customs regulations.

D.121 To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.

D.122 To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency.

D.123 To follow guidance on taxation issued by the Chief Finance Officer.

## **TRADING ACCOUNTS AND BUSINESS UNITS**

### **Why is this important?**

D.124 Trading accounts and business units have become more important as local authorities have developed a more commercial culture. Under best value, authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost. They are also required to disclose the results of significant trading operations in the corporate performance plan.

### **Responsibilities of the Chief Finance Officer**

D.125 To advise on the establishment and operation of trading accounts and business units.

### **Responsibilities of Chief Officers**

D.126 To consult with the Chief Finance Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the Authority. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

D.127 To observe all statutory requirements in relation to business units, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts.

D.128 To ensure that the same accounting principles are applied in relation to trading accounts as for other services or business units.

D.129 To ensure that each business unit prepares an annual business plan.

## APPENDIX E – Financial Procedure Rules: External Arrangements

### PARTNERSHIPS

#### Why is this important?

- E.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. Local authorities are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Local authorities still deliver some services, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.
- E.2 Local authorities will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Local authorities will be measured by what they achieve in partnership with others.

#### General

- E.3 The main reasons for entering into a partnership are:
- (a) the desire to find new ways to share risk
  - (b) the ability to access new resources
  - (c) to provide new and better ways of delivering services
  - (d) to forge new relationships
  - (e) to provide value for money to the taxpayer.
- E.4 A partner is defined as either:
- (a) an organisation (private or public) undertaking, part funding or participating as a beneficiary in a project, or
  - (b) a body whose nature or status give it a right or obligation to support the project.

E.5 Partners participate in projects by:

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

E.6 Partners have common responsibilities:

- (a) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation
- (b) to act in good faith at all times and in the best interests of the partnership's aims and objectives
- (c) be open about any conflict of interests that might arise
- (d) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors
- (e) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature
- (f) to act wherever possible as ambassadors for the project
- (g) to ensure that partnership arrangements are not ultra vires.

**Key controls**

E.7 The key controls for Authority partners are:

- (a) if appropriate, to be aware of their responsibilities under the Authority's Financial Regulations and the code of practice on tenders and contracts
- (b) to ensure that risk management processes are in place to identify and assess all known risks

- (c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise
- (d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences
- (e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

### **Responsibilities of the Chief Finance Officer**

- E.8 To advise on effective controls that will ensure that resources are not wasted.
- E.9 To advise on the key elements of funding a project. They include:
- (a) a scheme appraisal for financial viability in both the current and future years
  - (b) risk appraisal and management
  - (c) resourcing, including taxation issues
  - (d) audit, security and control requirements
  - (e) carry-forward arrangements.
- E.10 To ensure that the accounting arrangements are satisfactory, including determining whether pooled budgets may be considered and if so, the procedures to be followed in the administration of those pooled budgets, and to ensure that value for money is obtained for the taxpayer.

### **Responsibilities of Chief Officers**

- E.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Chief Finance Officer.

- E.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Chief Finance Officer.
- E.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority.
- E.14 To ensure that all agreements and arrangements are properly documented, legally binding, and that rights of access to information, records and personnel are secured for internal audit. In particular, advice should be sought in advance from Law and Governance and the Chief Finance Officer regarding the form of partnership agreement and the correct Authority signatories to / procedures for such an agreement.
- E.15 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the Authority's statement of accounts concerning material items; and to follow any instructions issued by the Chief Finance Officer where the Chief Finance Officer determines that a pooled budget may be established.
- E.16 To ensure the legality of partnership arrangements before entering into them.
- E.17 To ensure that where the entering into a partnership requires a financial commitment from the Authority, either immediate or potential, for which budget provision is not available, or where the acceptance of external funding would lead to a financial commitment beyond the current year, the Chief Officer in conjunction with the Chief Finance Officer shall provide a written report to Council giving a full appraisal of the financial implications for the Authority of the scheme both in the current year and beyond. The approval of the Cabinet must be secured before the Chief Officer commits the Authority to any partnership agreement in these circumstances, after taking advice from the head of legal services.

E.18 To be responsible and accountable for financial monitoring and evaluation of performance of each partnership entered into by the Chief Officer's applicant service.

## **EXTERNAL FUNDING**

### **Why is this important?**

E.19 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority. Local Authorities are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private sector providers. Funds from external agencies such as the National Lottery and Central Government sources provide additional resources to enable the Authority to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Authority's overall plan or the availability and affordability of resources to provide the required match funding.

### **Key controls**

E.20 The key controls for external funding are:

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

**Responsibilities of the Chief Finance Officer**

- E.21 To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- E.22 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue or capital budgets reflect these requirements and the proposed investment is affordable and sustainable.
- E.23 To ensure that audit requirements are met.

**Responsibilities of Chief Officers**

- E.24 To ensure that all claims for funds are made by the due date and approved by the appropriate signatory.
- E.25 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.
- E.26 To nominate a named responsible senior officer to be accountable for the performance and financial monitoring of each project, and to ensure that where external / grant funding is received this is recorded formally into the general ledger system.
- E.27 To ensure that written approval is obtained from the funder which clearly shows the approved allocation, the purpose of the grant and the financial period to which it relates.
- E.28 To ensure that project named responsible officers check, prior to submission of a grant claim, that all expenditure declared is eligible in accordance with the relevant funder's criteria. Should there be any uncertainty as to the purpose of such funding, the responsible

officer should make such enquiries as are necessary to the funder to ensure the proper use of grant.

- E.29 To ensure that any guidance issued by the Chief Finance Officer on receipt of funds from a third party (i.e. matched funding) in grant submission is adhered to.
- E.30 To ensure that grant claim working papers are maintained in a form agreed by the Chief Finance Officer.
- E.31 To ensure that the manner in which external funding is managed is in accordance with Authority policy and instructions, standing orders with respect to contracts, and Financial Regulations in addition to the funder's own requirements.
- E.32 To ensure that all contracts are properly documented:

Stage	Funding up to £100k	Funding over £100k
ONE – Submission of application/expression of interest	Approval by Director of Service, a senior Finance Business Partner and relevant Cabinet Member	Approval by Director of Service, Head of Finance and relevant Cabinet Member.
TWO – Acceptance of offer of funding	Approval by relevant Chief Officer and Head of Finance.	Approval by Chief Finance Officer, Head of Legal Services and Cabinet.

- E.33 To ensure that where the use of external funding for projects requires a financial commitment from the Authority for which budget provision is not available, or where the acceptance of external funding would lead to a financial commitment beyond the

current year, the Chief Officer in conjunction with the Chief Finance Officer shall ensure that a full appraisal of the financial implications for the Authority of the scheme has been undertaken.

- E.34 The approval of the Cabinet must be secured to enter into a funding agreement. Given the timescales involved in responding to requests from funding bodies it is not always practical to obtain Cabinet approval in advance of entering into a funding agreement. Therefore approval to agree the necessary terms and enter into a funding agreement is delegated to the Chief Finance Officer, in consultation with the relevant Cabinet Member, and details will be reported to the next available Cabinet meeting.
- E.35 Where external funding is secured for a limited time period, any operational arrangements put in place must not assume the fall-out of grant will be replaced by mainstream funding.
- E.36 To ensure that where additional financial support is to be sought from other agencies, this is subject to the proper decision making processes of the Authority, as set out in the budget and policy framework, in order to ensure that there is a clear understanding of the action to be taken, lines of responsibility and accountability.

## **WORK FOR THIRD PARTIES**

### **Why is this important?**

- E.37 Current legislation enables the Authority to provide a range of services to other bodies. Such work may enable a unit to maintain economies of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

### **Key controls**

- E.38 The key controls for working with third parties are:

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

#### **Responsibilities of Chief Finance Officer**

E.39 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

#### **Responsibilities of Chief Officers**

E.40 To ensure that the approval of the Cabinet is obtained before any negotiations are concluded to work for third parties.

E.41 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Chief Finance Officer.

E.42 To ensure that appropriate insurance arrangements are made.

E.43 To ensure that the Authority is not put at risk from any bad debts.

E.44 To ensure that no contract is subsidised by the Authority unless specifically approved by the Council.

E.45 To ensure that, wherever possible, payment is received in advance of the delivery of the service.

E.46 To ensure that the service has the appropriate expertise to undertake the contract.

E.47 To ensure that such contracts do not impact adversely upon the services provided for the Authority.

- E.48 To ensure that all contracts are properly documented.
  
- E.49 To provide appropriate information to the Chief Finance Officer to enable a note to be entered into the statement of accounts.
  
- E.50 To ensure the undertaking of work for third parties falls within the Authority's statutory powers.

## Glossary of Terms

BACS Transmission	Payments made or received electronically through the bank automated clearing system.
Budget head	A cost centre in the revenue budget, or a project set out in the capital plan.
Budget holder	The person responsible for the day to day control of income and expenditure against a set budget for a cost centre or group of cost centres, as directed by a nominated budget manager. The budget holder will also be responsible for budgetary monitoring of their cost centres, including preparation of regular monitoring reports as required by the budget manager, Chief Officer or their representative.
Budget manager	A nominated Chief Officer or senior manager responsible for the overall control of a budget or budgets. The budget manager will be consulted in the preparation of the budgets for which they will be responsible and accept accountability within delegations set by the Cabinet for their budgets and level of service to be delivered. The budget manager will determine a single named officer to act as a budget holder for each cost centre within their budget, and will direct the budget holder in the exercise of their duties.
Budget realignment	Budget realignment is a restating of a budget which occurs only if material permanent changes to the budget are necessary. Budget realignment should occur only once in any financial year and requests for realignment must be agreed with the Chief Finance Officer in advance of the annual budget setting process. It is important that any budget realignment is transparent and the process can be subject to proper scrutiny.

Chief Finance Officer	the officer designated by the Authority as having the statutory responsibility set out in section 151 of the Local Government Act 1972; also known as the responsible financial officer.
Chief Officer	an officer of the Authority paid under the Joint Negotiating Committee for Chief Executives / Chief Officers' Pay and Conditions Agreement. This refers to the Chief Executive, Assistant Chief Executive and Directors.
Contingency	a fund for unforeseen items of expenditure, or known items of expenditure where the exact value cannot be quantified with certainty at the present time.
Head of Paid Service	the officer designated by the Authority as having the statutory responsibility set out in section 4 of the Local Government and Housing Act 1989.
Monitoring Officer	the officer designated by the Authority as having the statutory responsibility set out in section 5 of the Local Government and Housing Act 1989.
Partnership	Working in collaboration with other bodies to achieve a common goal or purpose.
Service	The Authority is organised into services which deliver activities under one Chief Officer known as a Head of Service.
Virement	the permission to spend more on one budget head when this is matched by a corresponding reduction on another budget head, ie, a switch of resources between budget heads. Virement is a temporary one-off adjustment which happens in-year. This is different to budget realignment (see budget realignment above).

