

03 July 2015

COUNCIL

You are hereby summoned to attend a Meeting of the **STROUD DISTRICT COUNCIL** at **19:00**.in the Council Chamber, Ebley Mill on **Thursday, 16 July 2015**.



David Hagg
Chief Executive



Please Note: This meeting will be filmed for live or subsequent broadcast via the Council's internet site (www.stroud.gov.uk). By entering the Council Chamber you are consenting to being filmed. The whole of the meeting will be filmed except where there are confidential or exempt items, which may need to be considered in the absence of the press and public.

AGENDA

- 1 **APOLOGIES**
To receive apologies of absence.
- 2 **DECLARATIONS OF INTEREST**
To receive declarations of interest.
- 3 **MINUTES - 21 MAY 2015**
To confirm and sign as a correct record the Minutes of the Annual General Meeting held on 21 May 2015.
- 4 **ANNOUNCEMENTS**
To receive announcements from the Chair of Council, the Leader and the Chief Executive.
- 5 **PUBLIC QUESTION TIME**
The Chair of the Committee will answer any questions from members of the public, submitted in accordance with the Council's procedures.

DEADLINE FOR RECEIPT OF QUESTIONS
Noon on Monday 13 July 2015.

Questions must be submitted in writing to the Chief Executive, Democratic Services, Ebley Mill, Ebley Wharf, Stroud, and sent by post, by fax (01453 754957), or by Email: democratic.services@stroud.gov.uk.

6 **CONTRACT PROCUREMENT AND PROCEDURE RULES**

To approve the updated Contract Procurement Rules for inclusion in the Council's Constitution.

7 **MEMBERS' QUESTIONS**

See Agenda Item 4 for deadline for submission.

8 **NOTICE OF MOTIONS**
The Human Rights Act - 01/2015

Proposed by Councillor John Marjoram and seconded by Councillor Steve Lydon.

"Stroud District Council expresses support for the Human Rights Act and the positive impact it has had on rights protection of individuals in our District. Stroud District Council welcomes the guidance the Human Rights Act provides for our authority and other public authorities in ensuring policies are developed in line with international human rights standards; and calls on the Government to retain the Human Rights Act, the protections within it, and the UK's international obligations under the European Convention on Human Rights."

Cuts to Further Education Funding - 02/2015

Proposed by Councillor Liz Ashton and seconded by Councillor Jonathan Edmunds.

"This Council notes the recent announcement by South Gloucestershire and Stroud College of there being up to 70 redundancies at the college. This Council also notes that the primary cause of the job losses is a loss of £3million of government funding. Further Education makes a huge contribution to local people and the local economy. The area of vocational education is key to the economic viability of the country. A levels and Higher Education should not be the only route open to our young people. Employers are experiencing skill shortages in areas such as technicians and related careers.

Therefore this Council agrees

1. To write to the newly elected Chair of the House of Commons Education Select Committee, our local MP, Neil Carmichael, asking him as a matter of urgency to

- (a) Investigate the effects these cuts in funding will have on local people and employers, and
- (b) review the funding arrangements for Further Education so that they equate to those school sixth forms receive.

2. To ask the LEP to raise with Government and appropriate funding bodies the critical contribution Further Education makes to the local economy and to work with local colleges to explore other sources of funding."

Members of Council

Liz Ashton
Martin Baxendale
Dorcas Binns
Tim Boxall
Rowland Blackwell
Chris Brine
Miranda Clifton
Nigel Cooper
June Cordwell
Doina Cornell
Gordon Craig
Kevin Cranston
Karon Cross
Stephen Davies
Paul Denney
Julie Douglass
Jonathan Edmunds

Chas Fellows
Colin Fryer
Paul Hemming
Nick Hurst
Julie Job
Haydn Jones
John Jones
Steve Lydon
John Marjoram
Russell Miles
Stephen Moore
Dave Mossman
Keith Pearson
Elizabeth Peters
Simon Pickering
Gary Powell
Nigel Prenter

Mark Rees
Lesley Reeves
Steve Robinson
Mattie Ross
Emma Sims
Nigel Studdert-Kennedy
Haydn Sutton
Brian Tipper
Chas Townley
Ken Tucker
Geoff Wheeler
Martin Whiteside
Rhiannon Wigzell
Tim Williams
Tom Williams
Penny Wride
Debbie Young

COUNCIL AGM MEETING**21 May 2015****7.00 pm – 7.50 pm****Council Chamber, Ebley Mill, Stroud****5****Minutes****Membership:**

Liz Ashton	P	Colin Fryer	P	Mark Rees	P
Martin Baxendale	P	Chas Fellows	A	Lesley Reeves	P
Dorcas Binns	P	Paul Hemming	P	Steve Robinson	P
Tim Boxall	P	Nick Hurst	P	Mattie Ross	P
Rowland Blackwell	P	Julie Job	P	Emma Sims	P
Chris Brine	P	Haydn Jones	P	Nigel Studdert-Kennedy	P
Miranda Clifton	P	John Jones	P	Haydn Sutton	P
Nigel Cooper	P	Stephen Lydon	P	Brian Tipper	P
June Cordwell	A	John Marjoram	P	Chas Townley	P
Doina Cornell	P	Russell Miles	P	Ken Tucker	P
Gordon Craig	P	Stephen Moore	P	Geoff Wheeler	P
Kevin Cranston	P	Dave Mossman	P	Martin Whiteside	P
Karon Cross	A	Keith Pearson	P	Rhiannon Wigzell	P
Stephen Davies	P	Elizabeth Peters	P	Tim Williams	P
Paul Denney	P	Simon Pickering	P	Tom Williams	P
Julie Douglass	P	Gary Powell	P	Penny Wride	P
Jonathan Edmunds	P	Nigel Prenter		Debbie Young	P

** = Chair of Council * = Vice Chair of Council P = Present A = Absent

Officers Present

Chief Executive	Strategic Head (Corporate Services)
Legal Services Manager and Monitoring Officer	Strategic Head (Development Services)
Strategic Head (Finance and Business Services)	Community and Facilities Manager
	Democratic Services Officer

CL.001 CHAIR OF COUNCIL

Councillor Geoff Wheeler nominated Councillor Mark Rees for the position of Chair of Council, which was seconded by Councillor Martin Whiteside. On being put to the vote the Motion was unanimously carried.

RESOLVED That Councillor Mark Rees be elected Chair of Council for the Civic Year 2015/16.

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CL.002 VICE-CHAIR OF COUNCIL

Councillor June Cordwell was nominated for the position of Vice-Chair of Council by Councillor Keith Pearson, which was seconded by Councillor Paul Hemming. The Motion was unanimously carried.

RESOLVED That Councillor June Cordwell be elected Vice-Chair of Council for the Civic Year 2015/16.

CL.003 APOLOGIES

Apologies for absence were received from Councillors June Cordwell, Karon Cross and Chas Fellows.

CL.004 DECLARATIONS OF INTEREST

None received.

CL.005 MINUTES

RESOLVED That the Minutes of the Meeting held on 9 April 2015 are confirmed and signed as a correct record.

CL.006 ANNOUNCEMENTSThe Chair of Council

The Chair welcomed new Members elected / re-elected at the May elections.

The Chief Executive

The Leader and Chief Executive had attended the launch of the first Work Experience Charter in Gloucestershire. Local schools and many local companies were already signed up to this initiative.

Members were reminded of the Devolution Debate in the Council Chamber at 7.00 pm on 27 May 2015.

CL.007 THIRD REPORT OF THE COUNCIL'S CONSTITUTION REVIEW WORKING GROUP

Councillor Keith Pearson outlined the above report and the recommendations that had been made by the Working Group. In replying to questions he confirmed that some reports presented to Committees in the past had been for noting and the information could have been included on a Members' Information Sheet. If a Committee wished to pursue a particular topic then a report may be required to focus on a particular aspect.

There was still a lot of work to be undertaken by the Group and he encouraged Members to read the Constitution and ask if they had any queries. Members were also encouraged to take a more active role within their Committees, including both pre and post scrutiny functions.

On being put to the vote the Motion was carried unanimously.

- RESOLVED 1. The Constitution include provision to address potential conflicts of interest when considering membership of quasi judicial bodies as outlined in paragraph 3.7 of the report.**
- 2. The Scheme of Delegations be amended as set out in Appendix A.**
 - 3. (a) The Constitution section on “Meetings of the Council” include reference to the role of the committees in overseeing and scrutinising the outcomes of projects with reference to the effective delivery of the Council’s Corporate Delivery Plan, including its Jobs and Growth Strategy (and / or such other key corporate policies / strategies as may be adopted from time to time); and
(b) The committee guide (as outlined in Appendix B including an template work plan report for first meetings of committees in each civic year) be established to further promote the inclusion of scrutiny work in committee work plans, improve the efficiency of the committee business and committee work plans generally.**
 - 4. General delegated authority be given to the Legal Services Manager to make appropriate amendments to the Constitution in view of the Council’s resolutions and to address anomalies etc. in the Constitution which may arise as a result of the said amendments.**
 - 5. The work programme for the Working Group for 2015/16 as set out in paragraph 7.1 be approved.**

CL.008 APPOINTMENT OF COUNCILLORS TO COMMITTEES

(a) Appointment of the Membership and Chairs and Vice-Chairs of Committees and other Structures

A schedule of the Members proposed to be nominated to the Council’s Committees in 2015/16 and nominations for for Chairs and Vice-chairs and to appointments on outside bodies or other committees, had been circulated to all Members prior to the meeting.

The Leader proposed that for this civic year only, the number of seats on the Community Services and Licensing Committee was increased from 12 to 13 seats. Councillor Chris Brine seconded this Motion which was unanimously supported by all Members.

Alternative nominations to those specified in the Schedule for Chairs and Vice-Chairs for each Committee were made by the Conservative Group for all committees, except for the Strategy and Resources and Audit and Standards Committees and upon the vote were lost by 22 votes to 25.

RESOLVED That the following Councillors be appointed to the Committee positions, together with Chair and Vice-Chair positions for 2015/16:

Allocations to Committees are subject to political balance requirements

Community Services and Licensing Committee (13 Members)

Councillor Chris Brine (Chair)	Councillor Liz Peters
Councillor Jonathan Edmunds (Vice-Chair)	Councillor Gary Powell
Councillor June Cordwell	Councillor Nigel Prenter
Councillor Stephen Davies	Councillor Steve Robinson
Councillor Julie Job	Councillor Chas Townley
Councillor John Jones	Councillor Penny Wride
Councillor Russell Miles	

Environment Committee (12 Members)

Councillor Simon Pickering (Chair)	Councillor Chas Fellows
Councillor Paul Denney (Vice-Chair)	Councillor Colin Fryer
Councillor Liz Ashton	Councillor Haydn Sutton
Councillor Tim Boxall	Councillor Brian Tipper
Councillor Kevin Cranston	Councillor Ken Tucker
Councillor Julie Douglass	Councillor Tim Williams

Housing Committee (12 Members)

Councillor Mattie Ross (Chair)	Councillor Liz Peters
Councillor Doina Cornell (Vice-Chair)	Councillor Gary Powell
Councillor Miranda Clifton	Councillor Mark Rees
Councillor Gordon Craig	Councillor Lesley Reeves
Councillor Kevin Cranston	Councillor Emma Sims
Councillor Jonathan Edmunds	Councillor Debbie Young

Strategy and Resources Committee (13 Members)

Councillor Geoff Wheeler (Chair)	Councillor Haydn Jones
Councillor Stephen Lydon (Vice-Chair)	Councillor Keith Pearson
Councillor Chris Brine	Councillor Simon Pickering
Councillor Nigel Cooper	Councillor Mattie Ross
Councillor Paul Hemming	Councillor Martin Whiteside
Councillor Nick Hurst	Councillor Rhiannon Wigzell
Councillor Julie Job	

Audit and Standards Committee (9 Members)

Councillor Nigel Studdert-Kennedy (Chair)	Councillor Colin Fryer
Councillor Tom Williams (Vice-Chair)	Councillor Keith Pearson
Councillor Martin Baxendale	Councillor Penny Wride
Councillor Karon Cross	Councillor Rhiannon Wigzell
Councillor Stephen Davies	

Development Control Committee (12 Members)

Councillor Stephen Moore (Chair)
Councillor John Marjoram (Vice-Chair)
Councillor Liz Ashton
Councillor Dorcas Binns
Councillor Rowland Blackwell
Councillor Nigel Cooper

Councillor Paul Hemming
Councillor Haydn Jones
Councillor Dave Mossman
Councillor Steve Robinson
Councillor Emma Sims
Councillor Tom Williams

Allocations to Committees and other bodies not subject to political balance requirements

The Conservative Group also made alternative nominations to outside bodies and other committees / panels and upon the vote these were lost by 22 votes to 25.

RESOLVED That the following appointments are made to Committees and Panels not subject to political balance requirements, for the Civic Year 2015/16:

Stroud Council Housing Forum (5 Members)

(Chair and Vice-Chair of Housing, plus one seat to each political group not already represented)

Councillor Doina Cornell
Councillor June Cordwell
Councillor Jonathan Edmunds

Councillor Mattie Ross
Councillor Debbie Young

Health, Community and Care Scrutiny Committee (Gloucestershire) (Lead) (1)

Councillor Doina Cornell

Health, Community and Care Scrutiny Committee (Gloucestershire) (Substitute) (1)

Councillor Steve Lydon

Gloucestershire Police and Crime Panel (Lead) (1)

Councillor Mark Rees

Gloucestershire Police and Crime Panel (Substitute) (1)

Councillor Colin Fryer

Gloucestershire Economic Growth Overview and Scrutiny Committee (Lead) (1)

Councillor Tom Williams

Gloucestershire Economic Growth Overview and Scrutiny Committee (Substitute) (1)

Councillor Martin Whiteside

CL.009 **CIVIC FUND EXPENDITURE 2014/15**

The Leader presented the above report for Members' information.

The meeting closed at 7.50 pm.

Chair of Council

Report Title	REVISED CONTRACT AND PROCUREMENT PROCEDURE RULES AND FINANCIAL REGULATIONS
Purpose of Report	To inform Members of the changes to the Council's Contract and Procurement Procedure Rules and Financial Regulations and to seek approval thereof for inclusion in the Constitution.
Decision(s)	That Council APPROVES: a) the revised Contract and Procurement Procedure Rules and the Financial Regulations set out in Appendix A and B. b) that delegated authority be given to the Strategic Head (Finance & Business Services) to make amendments to these documents in future in line with changes to legislation and best practice.
Consultation and Feedback	In making revisions to these documents, the Corporate Team, Monitoring Officer and the Corporate Procurement Board were consulted.
Financial Implications and Risk Assessment	There are no financial implications arising from this report. Sandra Cowley Strategic Head (Finance & Business Services) Tel: 01453 754136 Email: sandra.cowley@stroud.gov.uk It is important that the Contract and Procurement Procedure Rules and Financial Regulations are periodically reviewed and updated to take account of legislative changes and best practice. Adherence to the Council's Financial Regulations is essential to protect the Council's finances and ensure value for money in the procurement of goods, services and works on behalf of the Council.
Legal Implications	The Contract and Procurement Procedure Rules and Financial Regulations have been amended and updated to accord with changes introduced by the Public Contracts Regulations 2015 and the Local Government Transparency Code 2014. Tim Stedeford, Locum Solicitor Tel: 01453 754343

	Email: tim.stedeford@stroud.gov.uk
Report Author	Sandra Cowley Strategic Head (Finance & Business Services) Tel: 01453 754136 Email: sandra.cowley@stroud.gov.uk
Chair of Committee	Councillor Geoff Wheeler Chair of Strategy & Resources Committee Tel: Email: @stroud.gov.uk
Options	None
Performance Management Follow Up	The Council's Contract and Procurement Procedure Rules and Financial Regulations will be reviewed regularly to ensure they are up to date, fit for purpose and meet with best practice.
Background Papers/ Appendices	Appendix A – Contract and Procurement Procedure Rules Appendix B – Financial Regulations

Background

1. The Council Financial Regulations and Contract and Procurement Procedure Rules were last updated in June 2014.
2. There has been a recent change in procurement legislation through the implementation of the Public Contracts Regulations 2015 on 26th February 2015. In addition, account has had to be taken of the Local Government Transparency Code 2014 published on 3rd October 2014 which requires Local Authorities in England to publish details of all contracts awarded with a value of £5,000 or more. As such, both the Contract and Procurement Procedure Rules and the Financial Regulations have been amended and updated to reflect changes in the law and in government guidance.

Changes to the Contract and Procurement Procedure Rules

3. The revised Contract and Procurement Procedure Rules are shown in full at Appendix A. This document has been significantly revised following the outcome of an external review of the Council's procurement processes in early 2015 and recent changes to procurement legislation and government guidance namely the introduction of the Public Contracts Regulations 2015 (to replace the Public Contracts Regulations 2006) and the Local Government Transparency Code 2014.
4. The most notable changes are:
 - Changes to financial thresholds to trigger different procurement methods and requirements (including the use of the South West Procurement Portal).

- Greater responsibility placed on Council Managers to monitor and oversee procurement exercises carried out within their Service Area.
 - The reporting and recording of all procurement exercises with a total estimated value of £5,000 or more through the use of Procurement Plan Forms to ensure better procurement practices and to be able to more accurately analyse Council expenditure.
 - Rationalisation of procedures for Senior Council Managers to obtain an exemption from compliance with the Contract Procurement and Procedure Rules including the use of Framework Agreements.
 - Clarification of the role of Council Officers in procurement exercises and the award of contracts.
5. The introduction of the revised Contract Procurement and Procedure Rules will be supported with a programme of training delivered by Procurement and Legal Services Officers and which has been specifically aimed at those Officers and their Managers who regularly procure goods, services and works on behalf of the Council.

Changes to the Financial Regulations

6. The revised Financial Regulations are shown in full at Appendix B. The main changes to this document are:
- Changes to the scheme of virement which includes a change to the limits at which service committees can approve virement without recourse to Strategy & Resources Committee.
 - Change to the regulations around the use of the capital reserve
 - Revised financial thresholds to better reflect those set out in the amended Contract and Procurement Procedure Rules.
 - Changes to accord with Public Contracts Regulations 2015 and in particular the removal of selected paragraphs of the Ordering and Paying for Works, Goods and Services and Partnerships sections of the current Financial Regulations to avoid and confusion and unnecessary duplication with the revised Contract and Procurement Procedure Rules.

CONTRACT AND PROCUREMENT PROCEDURE RULES

These Contract and Procurement Procedure Rules ('CPPRs') set out the rules that must be followed by Stroud District Council ('the Council') when it procures all goods, services and works. They have three main purposes:

- to ensure that the Council obtains value for money when procuring any goods, service and works;
- to ensure that the Council complies with current UK and European law that governs the procurement of goods, services and works and;
- to establish procedures which, when followed, should protect the Council, its Officers and Members from any allegation of acting unfairly or unlawfully which may be made in connection with any procurement by the Council of any goods, services or works.

General

1. Every contract entered into by the Council shall comply with these CPPRs and with any relevant UK or European law currently in force in England.
2. These CPPRs do **not** apply to the employment of staff (**excluding** the engagement of external consultants and temporary staff engaged through recruitment agencies or similar); the instruction of Counsel and the engagement of Arbitrators, Adjudicators or Mediators in connection with construction related disputes. Guidance and advice in such matters should be sought from Human Resources or from the Legal Services Manager as appropriate.
3. Officers must also comply with guidance or advice issued by the Strategic Head (Finance and Business Services) in respect of matters arising from individual tenders or requests for quotations entered into or proposed to be entered into by the Council.

Responsibilities – Strategic Heads

4. Each Strategic Head shall ensure that all permanent and temporary Officers of the Council or those third party individuals or organisations working to their instruction carrying out the procurement of goods, works and services for the Council comply with these CPPRs at all times.
5. Each relevant Operational Manager shall be responsible for managing the preparation of suitable and appropriate specifications or requirements (including but not limited to appropriate insurance cover) for **all** contracts of whatever total estimated value relevant to their service area.

Procurement Thresholds

6. Each potential contract shall be progressed according to the total estimated value of the contract as calculated and shown in CPPR 9 below. The total estimated value of a contract is the cost of the contract to the Council not just for the initial term but also for any extended term to its conclusion. Where

there is doubt over the total estimated value of a contract, the next financial threshold up should be used.

7. Where the total estimated value of the contract is equal to or more than five thousand pounds (£5,000.00), the South West Procurement Portal (www.supplyingthesouthwest.org.uk) must be used **unless** an exemption from compliance with these CPPRs can be properly applied (See CPPR 14 – 17 inclusive below). Further guidance in connection with the use of the South West Procurement Portal can be obtained from the Council Procurement Officer.
8. Contracts with a total estimated value of **£5,000 or above** must be notified to the Council Procurement Officer using a completed Procurement Plan Form **prior** to the commencement of a tender or quotation exercise. This completed Procurement Plan Form will be shared with the Legal Services Manager to ensure that appropriate contractual terms and conditions are being relied upon for the particular tender or quotation exercise.

The Council Procurement Officer shall retain a record of all completed Procurement Plan Forms submitted.

9. The following procurement thresholds must be followed when purchasing goods or services or arranging works on behalf of the Council :

Up to £5,000

Officers must be able to demonstrate value for money by comparing prices from different suppliers or contractors. It is recommended that **at least three suppliers or contractors are approached** by telephone or e-mail and prices obtained. All prices received should be recorded in writing by the Officer obtaining the prices. All contracts or purchase orders must be in writing.

£5,000 to £50,000

Having first complied with the requirements of CPPR 8 above, Officers must be able to demonstrate value for money by obtaining **at least three written quotations** from different suppliers or contractors utilizing the South West Procurement Portal. A quotation is a written document that clearly sets out the requirements of the Council and invites suppliers or contractors to submit a price(s) for the supply of their goods, services or works. All contracts or purchase orders must be in writing.

All contracts with an estimated value of £25,000 and above must also be published on the Contracts Finder operated by the Cabinet Office (through the South West Procurement Portal) in accordance with the provisions of Part 4 Chapter 8 of the Public Contracts Regulations 2015.

£50,000 to EU Thresholds Having first complied with the requirements of CPPR 8 above, **at least three formal tender responses** must be obtained in accordance with the procedures set out in these CPPRs and utilizing the South West Procurement Portal. Advice on these procedures should be obtained from the Council Procurement Officer. All contracts must be in writing.

Where a **works contract** to be tendered has a total estimated value within **10%** of the relevant EU threshold, the above EU Thresholds procedure described below should be followed.

Where a **supplies or services contract** to be tendered has a total estimated value within **5%** of the relevant EU threshold, the above EU Thresholds procedure described below should be followed.

Above EU Thresholds Having first complied with the requirements of CPPR 8 above, any Contract with a total estimated value above the relevant EU Threshold must be **formally tendered** in accordance with the provisions of the Public Contracts Regulations 2015 and utilizing the South West Procurement Portal. Advice on these procedures should be obtained from the Procurement Officer. All contracts must be in writing.

Tenders (for contracts with a total estimated value of £50,000 or more)

10. Notwithstanding the requirements of CPPR 8 above, advice in relation to the most suitable form of tendering procedure must be obtained from the Council Procurement Officer **prior** to the commencement of the tender exercise. The tender documentation routinely included with each invitation to tender published by the Council shall be in a form approved by the Council Procurement Officer in consultation with the Legal Services Manager.
11. Depending on the nature of the goods, services or works to be procured by the Council, it will be necessary to consider the most suitable form of contract to be relied upon. Advice in relation to the most suitable form of contract to be relied upon should be obtained from the Legal Services Manager **prior** to the commencement of the tender exercise.

Requests for Quotations (for contracts with a total estimated value between £5,000 and £50,000)

12. Notwithstanding the requirements of CPPR 8 above, advice in relation to the quotation procedure (including but not limited to the most suitable form of contract to be relied upon) should be obtained from the Council Procurement Officer **prior** to the commencement of the quotation exercise. The request for quotation documentation routinely included with each request for a quotation and published by the Council shall be in a form approved by the Council Procurement Officer in consultation with the Legal Services Manager.
13. For the purpose of these CPPRs, where any public notice is required to be given (regardless of the total estimated value of the contract), it shall be published on the South West Procurement Portal.

Exemptions

14. Subject to CPPR 17 (d) and (e) below, an exemption from compliance with these CPPRs **must** be approved by the Strategic Head (Finance and Business Services) **prior to the commencement of the tender or quotation exercise and can only apply to contracts which have a total estimated value which can clearly be demonstrated to be below the relevant EU threshold.**
15. Where an exemption is required as a matter of urgency, written approval should be sought by the relevant Strategic Head from the Strategic Head (Finance and Business Services) (in consultation with the Council Procurement Officer and the Legal Services Manager). For the avoidance of doubt, urgency that could have been avoided through reasonable foresight and planning will not normally be acceptable as an adequate reason for a departure from compliance with these CPPRs.
16. The Council Procurement Officer (in consultation with the Strategic Head (Finance and Business Services)) shall maintain a register of all approved exemptions together with the reasons given for approving and applying the exemption.
17. Exemptions from compliance with these CPPRs may be applied in the following circumstances:-
 - (a) (i) the supplies or services to be provided relate to goods, services and materials which are proprietary articles; (ii) the supplies or services are sold or charged only at a fixed price and no satisfactory alternative is available or (iii) if there would be no genuine competition for either the goods, materials or services; or
 - (b) the Council is issuing a grant to support the costs of an organisation whereby the activities of that organisation support or complement the objectives of the Council. However, where there is potential for more than one organisation to be eligible for the grant, it would normally be

expected that a tender or quotation exercise would be carried out in accordance with these CPPRs; or

- (c) other reasons reported to and approved in writing by the Strategic Head (Finance and Business Services).

The following exemptions from compliance with these CPPRs do **not** require the formal approval of the Strategic Head (Finance and Business Services) but must only be relied upon with the written approval of the Council Procurement Officer (in consultation with the Legal Services Manager) who shall maintain a register of such approved requests in accordance with CPPR 16 above:

- (d) tenders or quotations have been invited on behalf of any consortium, association or similar body of which the Council is a member, or on behalf of any other local authority, or public body, with whom the Council has a contract, agency agreement, partnering agreement or similar, provided that the approved procedure of any such body for the invitation of tenders and quotations has been followed;
- (e) where properly concluded Framework Agreements are relied upon but only where the guidance and award criteria set out for the particular Framework Agreement is strictly adhered to in the engagement of the contractor or supplier.

Submission of Tenders or Requests for Quotations

- 18. Where an invitation to tender or request for a quotation is published on the South West Procurement Portal in accordance with the thresholds set out in these CPPRs, the procedures stipulated by the South West Procurement Portal Administrator for the receipt, evaluation, rejection and/or award of a tender or quotation must be followed in all circumstances.

Opening and Acceptance of Tenders or Requests for Quotations

- 19. All tenders or requests for quotations received shall be opened on the South West Procurement Portal on the same occasion and in the presence of at least two Officers of the Council of whom at least one should be a Council Unit Manager or above who has not previously been involved in the tender or request for quotation in question.
- 20. All tenders for contracts or requests for quotations published on the South West Procurement Portal shall be recorded on the Portal or otherwise in a manner approved by the Strategic Head (Finance and Business Services).
- 21. All tenders (with a total estimated value of £50,000 or more) shall be evaluated in accordance with the evaluation criteria set out in the invitation to tender. The Council would usually award a contract where it represents the most economically advantageous tender (MEAT) and delivers best value for money.

22. The evaluation criteria set out in the invitation to tender (for contracts with a total estimated value of £50,000 or more) shall be strictly observed at all times throughout the contract award procedure by any Council Officer involved in the process.

Notification of Tender Results and Debriefing

23. Notification of the award of a tender (with a total estimated value of £50,000 or more) shall be carried out in consultation with the Council Procurement Officer utilising prescribed forms and documentation.
24. All procurement exercises for tenders with a total estimated value of £50,000 or more should incorporate a formal standstill period of at least 10 calendar days if the award decision is sent electronically to all tenderers (or at least 15 calendar days if sent to all tenderers by other methods) between communicating the award decision to all tenderers and entering into a contract with the successful tenderer. If the award of a tender is challenged during the standstill period, it is vital that details of the challenge are **immediately** notified to the Council Procurement Officer and to the Legal Services Manager.
25. If an unsuccessful Contractor or Supplier makes a request for further information relating to their tender or for other reasons, advice should be sought from the Council Procurement Officer in consultation with the Legal Services Manager before responding to the unsuccessful Contractor or Supplier.

Alterations to Tenders or Quotations

26. Where an examination of a tender or a quotation reveals clerical or arithmetical errors or discrepancies which would alter the tender or quotation submitted, the contractor or supplier concerned shall be given details of such errors and discrepancies in writing by the relevant Strategic Head and (a) in the case of a clerical or arithmetical error be afforded no more than three working days to correct such an error or (b) be afforded no more than three working days to confirm or withdraw their tender to the relevant Strategic Head. If when contacted about an error or discrepancy, the contractor or supplier concerned decides to withdraw their tender or quotation, the next tender or quotation in competitive order shall be considered in place of the withdrawn tender or quotation.

Withdrawal by a successful Supplier or Contractor

27. Where prior to the execution of a formal contract, a successful contractor or supplier withdraws their tender or quotation, the next tender or quotation in order may be examined and considered for award **provided** that the next tender or quotation is still valid **and** the award does not breach any regulatory provision or judicial order.

Before proceeding to award a tender or quotation for a replacement tender or quotation under this CPPR, the relevant Strategic Head must notify the Council Procurement Officer.

Contracts Register

28. Details of all contracts **awarded** with a total estimated value of **more** than £50,000 must be entered on the Corporate Contracts Register maintained by the Council Procurement Officer on behalf of the Strategic Head (Finance and Business Services). This Register shall specify for each contract the name of the contractor, the works to be executed or the goods or services to be supplied and the total estimated contract value.

Contract Form and Execution

- 29 All contracts, regardless of value, entered into by the Council shall be in writing and signed by a duly authorised Council Officer. Contracts with a total estimated value of **£50,000 or above** must be signed by the relevant Strategic Head or by the Chief Executive.

- 30 All contracts entered into by the Council should **as a minimum** specify the goods, materials or services to be supplied and the work to be executed (all of which must accord with any current policy, guidance, specification or Code of Practice formally adopted by or required to be adhered to by the Council); the price to be paid (together with a statement as to the amount of any discount(s) or other deduction(s)); the period(s) within which the contract is to be performed and the termination provisions (including but not limited to early termination due to the poor performance of the supplier or contractor during the term of the contract).

Guidance on appropriate contractual terms can be obtained from the Legal Services Manager (in consultation with the Council Procurement Officer) **prior** to the commencement of any tender exercise or purchase undertaken by the Council.

31. **No contractor or supplier should commence works or supply goods or services to the Council until the relevant contractual documents have been signed and completed by all relevant parties. One original signed and completed contractual document should be forwarded to the Council Procurement Officer for indexation and retention. Arrangements will then be made for an electronic completed copy of the contract to be forwarded to the relevant Strategic Head and the Officer with day-to-day responsibility for managing the contract to assist in the operation of the contract during its term. The other original signed and completed contractual document should be forwarded to the appointed supplier(s) or contractor(s) for their records.**

Contract Extensions

32. A contract may be extended before the expiry date only where it is expressly in accordance with its terms and such an extension does not compromise the basis upon which the contract was originally procured. In all cases where it is proposed to extend an existing contract, advice and guidance must be sought from the Council Procurement Officer in consultation with the Legal Services Manager **before** any negotiations are entered into with suppliers or contractors over an extended term.
33. Where the terms of a contract:
- (i) do not expressly provide for an extension; or
 - (ii) once a contract has expired; or
 - (iii) where an extended term alters the basis on which the service, supply of goods or works were originally procured; or
 - (iv) where the extended term would lead to the total value of the contract exceeding the relevant EU threshold applicable at the commencement of the extended term; or
 - (v) where such an extended term would be in breach of statutory regulation
- then it **cannot** be extended.

Variations other than Contract Extensions

34. No variation may be made to a contract if the proposed variation means that the works, services or goods would become substantially different in scope or type to those originally contemplated by the original tender or quotation exercise.

Where a variation to a contract is being considered, advice **must** be sought from the Legal Services Manager (in consultation with the Council Procurement Officer) **prior** to entering into any discussions or negotiations with a supplier or contractor about a variation to an existing contract.

Contract Management

35. Throughout the term of a contract, the relevant Strategic Head must ensure that the contract is properly monitored **at least** in respect of the following matters:
- (i) Performance (including but not limited to User Satisfaction);
 - (ii) Compliance with Specification and Contractual Terms;
 - (iii) Prices or Costs charged;
 - (iv) Anticipation of completion dates to plan for subsequent service requirements.

Partnerships and Collaborative Arrangements.

36. Where the Council is the Lead Authority in any partnership or collaborative arrangement with other organisations or bodies, these CPPRs shall apply to the procurement of any goods, services or works carried out with or on behalf of those other organisations or bodies.

Financial Regulations

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A. FINANCIAL MANAGEMENT

A1 Financial Management Standards

Why is this important?

All staff (including temporary and contract staff and consultants) 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.

Financial Regulations do not cover every eventuality or circumstance but the principles outlined should always be applied.

- A1.1 The Strategic Head (Finance and Business Services) has overall responsibility for ensuring the proper administration of the financial affairs of the Council, as required by Section 151 of the Local Government Act 1972, and by Section 114 of the Local Government Finance Act 1988.
- A1.2 The Strategic Head (Finance and Business Services) is responsible for maintaining a continuous review of Financial Regulations which shall provide for the supervision and control of finances, accounts, expenditure, income and assets.
- A1.3 Any changes to Financial Regulations will be subject to the approval of the full Council.
- A1.4 The Financial Regulations provide the framework for managing the Council's financial affairs. They apply to every elected member and all staff of the Council.
- A1.5 All elected members and staff have a general responsibility for taking reasonable action to provide for the security of assets under their control, and for ensuring that the use of assets and resources is legal, properly authorised, provides value for money and achieves best value.
- A1.6 Corporate Team Members and Managers are responsible for ensuring that all staff in their service areas are aware of the existence and content of Financial Regulations and other internal regulatory and procedure documents, and that they comply with them.

A2 Scheme of Virement

Why is this important?

The scheme of virement is intended to enable the Service Committees, Corporate Team Members 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.

- A2.1 A Corporate Team Member or Head of Service may exercise virement on budgets under their control for amounts up to £20,000 on any one budget head during the current financial year only, following agreement with the Strategic Head (Finance and Business Services) and subject to the conditions in paragraph A2.4 below.
- A2.2 Virements of amounts greater than £20,000 but less than £50,000 require the approval of the appropriate committee, following a joint report by the Strategic Head (Finance and Business Services) and the Corporate Team Member, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year.
- A2.3 Virement of amounts greater than £50,000 requires the approval of Strategy and Resources committee, following a joint report by the Strategic Head (Finance and Business Services) and the Corporate Team Member, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current and future financial year.
- A2.4 Virement between pay and non pay must be approved by the Strategic Head (Finance and Business Services)
- A2.5 Virement that is likely to impact on the level of service activity of another Corporate Team Member or Head of Service should be implemented only after agreement with that officer.
- A2.6 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:
- (i) the amount is used in accordance with the purposes for which it has been established;
 - (ii) Strategy and Resources has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Executive.

A2.7 Budget adjustments within the Housing Repairs and Improvements Programme will be subject to separate arrangements in agreement with the relevant budget holder and the Strategic Head (Finance and Business Services), as set out below:

- (i) Virement on budgets within the Housing Repairs and Improvements Programme for amounts up to £50,000 are subject to agreement with the relevant budget holder and the Strategic Head (Finance and Business Services);
- (ii) Virement of amounts greater than £50,000 but less than £250,000 require the approval of the Housing committee;
- (iii) Virement of amounts greater than £250,000 requires the approval of the appropriate Strategy and Resources committee.

A3 Treatment of Year-End Balances

Why is this important?

The rules below cover arrangements for the transfer of resources between accounting years, i.e. a carry forward.

A3.1 Normally, only specifically designated accounting reserves and provisions may be carried forward from one accounting year to the next.

A3.2 The carry forward of resources relating to individual revenue or capital budget headings requires the approval of the Strategy and Resources Committee, and will normally only be permitted for individual amounts in excess of £10,000 where there is clear justification as to why the resources could not be utilised in the financial year for which they were originally allocated.

A4 Accounting Policies

Why is this important?

The Strategic Head (Finance and Business Services) is responsible for the preparation of the Council's statement of accounts, in accordance with proper accounting practices as currently in force, for each financial year ending 31 March.

A4.1 The Strategic Head (Finance and Business Services) is responsible for selecting suitable accounting policies and for ensuring that they are applied consistently. The accounting policies are set out in the statement of accounts, which is prepared at 31 March each year. Such policies should comply with the proper accounting practices currently in force.

A5 Accounting Records and Returns

Why is this important?

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

- A5.1 The Strategic Head (Finance and Business Services) shall determine the accounting procedures and records of the Council.
- A5.2 The Strategic Head (Finance and Business Services) shall arrange for the proper administration of all accounts and accounting records.
- A5.3 Wherever possible, the following principles shall be complied with when allocating financial duties:
- (i) 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.
 - (ii) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- A5.4 The Strategic Head (Finance and Business Services) must be consulted on and approve any changes to accounting records and procedures.
- A5.5 All staff and members must maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.

A6 The Annual Statement of Accounts

Why is this important?

The Council has a statutory responsibility to prepare its own accounts to present a true and fair view of its operations during the year. The Audit and Standards Committee full Council is responsible for approving the statutory annual statement of accounts.

Relevant legislation determines the format and deadlines.

- A6.1 The Strategic Head (Finance and Business Services) shall sign and date the statement of accounts, stating that it presents a true and fair view of the financial position of the Council at the accounting date and its income and expenditure for the year ended 31 March each year.
- A6.2 The Strategic Head (Finance and Business Services) shall draw up a timetable for final accounts preparation and advise staff and external auditors accordingly.
- A6.3 Staff and members shall comply with accounting guidance provided by the Strategic Head (Finance and Business Services) and supply the Strategic Head (Finance and Business Services) promptly with any information required for the preparation of the statement of accounts.

B. FINANCIAL PLANNING

B1 Revenue Budget Preparation, Monitoring and Control

Why is this important?

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 Council to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget. By continuously identifying and explaining variances against budgetary targets, the Council can identify changes in trends and resource requirements at the earliest opportunity. The Council itself operates within an annual budget limit, approved when setting the overall budget. To ensure that the Council in total does not overspend, each service is required to manage its own expenditure within the budget allocated to it.

- B1.1 The Strategic Head (Finance and Business Services) shall, in consultation with Corporate Team Members and Heads of Service, prepare and submit annually to the appropriate committee budget estimates of income and expenditure.
- B1.2 The estimates presented to committees shall be accompanied by a report from the Strategic Head (Finance and Business Services) drawing attention to any provision made for a new service or the material alteration or extension of an existing service.
- B1.3 After consideration by the committees, the Budget shall be presented to full Council together with a report by the Strategic Head (Finance and Business Services) with a recommendation relating to the levying of a precept.

- B1.4 The full Council's approval of the Budget shall authorise the incurring of expenditure and the collection of income within the approved budget estimates.
- B1.5 The Strategic Head (Finance and Business Services) shall establish and maintain an appropriate framework of budgetary management and control which ensures that:
- (i) budgets remain within the approved estimates unless the full Council agrees otherwise
 - (ii) each budget holder has available timely and accurate information on income and expenditure on each budget which is sufficiently detailed to enable them to fulfil their budgetary management responsibilities
 - (iii) expenditure is only committed against an approved budget head
 - (iv) all officers responsible for committing expenditure comply with relevant guidance, Contract and Procurement & Procedure Rules and Financial Regulations
 - (v) budget responsibility is aligned as closely as possible to the decision making process that commits expenditure
 - (vi) significant variances from approved budget estimates are investigated promptly and explained by budget holders.
- B1.6 Corporate Team Members, Heads of Service and nominated budget holders are responsible for maintaining budgetary control within their service areas in adherence to the principles in B1.5, and for ensuring that all income and expenditure is properly recorded and accounted for.
- B1.7 Corporate Team Members, Heads of Service and nominated budget holders should ensure that spending remains within each of their service areas overall budget limits, and that individual budget heads are not overspent, by monitoring budgets and taking appropriate corrective action where significant variations from the approved budget estimates are forecast.
- B1.8 Corporate Team Members, Heads of Service and nominated budget holders should ensure that a monitoring process is in place to review performance levels/levels of service in conjunction with the budget and that this is operating effectively.

B2 Budgets and Medium-Term Planning

Why is this important?

The Council is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. Medium-term planning (or a three to five year planning system) involves a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the Council is always preparing for events in advance.

B2.1 The Strategic Head (Finance and Business Services) shall arrange for the preparation of a Medium Term Financial Plan, covering a four year period, which shall be updated at least annually to reflect changes in anticipated budget outturns, levels of funding and expenditure, and other prudent financial projections.

B2.2 Corporate Team Members, Heads of Service and Managers should inform the Strategic Head (Finance and Business Services) promptly of any known or anticipated service, legislative or other changes which may have significant financial impacts within the next four years.

B3 Resource Allocation

Why is this important?

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

B3.1 The Strategic Head (Finance and Business Services) shall advise on methods available for the funding of resources, such as grants from central government and borrowing requirements.

B3.2 Corporate Team Members, Heads of Service and Managers shall work within budget limits and shall utilise resources in the most efficient, effective and economic way.

B3.3 Corporate Team Members, Heads of Service and managers shall seek to identify opportunities for efficiency savings where it is possible to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery.

B4 Capital Programme

Why is this important?

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the Council, 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. There are Government requirements on the financing capacity of the Council. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.

- B4.1 The Strategic Head (Finance and Business Services) shall present an annual four year capital plan, together with details of the funding estimated to be available, to Strategy and Resources committee. The Strategy and Resources committee will make recommendations on the capital plan and on any associated financing requirements to the full Council.
- B4.2 The Strategic Head (Finance and Business Services) shall issue guidance concerning capital schemes and controls, for example, on project management techniques. The definition of 'capital' will be determined by the Strategic Head (Finance and Business Services), having regard to government regulations and accounting requirements.
- B4.3 The inclusion of any capital proposal in the programme does not commit the Council to such expenditure.
- B4.4 No action shall be taken to commit the Council to capital expenditure until the relevant Corporate Team Member has determined whether it is necessary to undertake a feasibility study.
- B4.5 For all schemes with an anticipated value in excess of £250,000, a project management team must be set up. The Strategic Head (Finance and Business Services) may nominate a member of staff from Financial Services who will give advice as needed to this team. Any resulting or associated procurement of goods, services and works must be carried out in accordance with the Council's Contract and Procurement Procedure Rules.

B5 Maintenance of Reserves

Why is this important?

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

- B5.1 The Strategic Head (Finance and Business Services) shall advise the Strategy and Resources committee and/or the full Council on prudent levels of reserves for the Council, and shall take account of the advice of the external auditors in this matter.
- B5.2 Corporate Team Members, Heads of Service and nominated budget holders should ensure that reserves are used only for the purposes for which they were intended.
- B5.3 Strategy and Resources committee can approve the use of the capital reserve for variation on capital schemes subject to there being sufficient funds available in the reserve and a limit per scheme of £250,000 and is no more than 50% of the original capital scheme budget. A joint report by the Strategic Head (Finance and Business Services) and the Corporate Team Member must specify the proposed additional expenditure, and must explain the implications in the current and future financial year.

C. RISK MANAGEMENT AND CONTROL OF RESOURCES

C1 Risk Management and Insurance

Why is this important?

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 Council and to ensure its continued financial stability and good reputation. In essence it is, therefore, an integral part of good business practice.

- C1.1 The Strategic Head (Finance and Business Services), in consultation with the other Corporate Team Members, shall prepare and promote the Council's risk management policy statement, and develop risk management controls.

- C1.2 The Strategic Head (Finance and Business Services) shall include all appropriate employees of the Council in a suitable fidelity guarantee insurance.
- C1.3 The Strategic Head (Finance and Business Services) shall effect corporate insurance cover, through external insurance and internal funding, and negotiate all claims, in consultation with other officers where necessary.
- C1.4 Staff and elected members shall notify the Strategic Head (Finance and Business Services) immediately of any loss, liability or damage that may lead to a claim against the Council, together with any information or explanation required by the Strategic Head (Finance and Business Services) or the Council's insurers.
- C1.5 Staff and elected members shall take responsibility for risk management where appropriate, having regard to advice from the Strategic Head (Finance and Business Services) and other specialists (e.g. crime prevention, fire safety and prevention, and health and safety).
- C1.6 Corporate Team and Heads of Service shall ensure that there are regular reviews of risk within their service areas. This should include any risks associated with the operation and expiry of contracts within their service areas to ensure continued or appropriate service delivery without interruptions or additional costs.
- C1.7 The Strategic Head (Finance and Business Services) must be notified promptly of all new risks requiring insurance, new properties and vehicles, and of any alterations affecting existing insurances.
- C1.8 Staff and elected members should not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

C2 Internal Controls

Why is this important?

The Council requires internal controls to manage and monitor progress towards its strategic objectives. The Council also has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations. Additionally, the Council faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

- C2.1 The Strategic Head (Finance and Business Services) shall advise on the establishment of 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.

- C2.2 Corporate Team Members and Heads of Service shall establish formal processes to check at least annually that established controls in their service areas are being adhered to and to evaluate their effectiveness, in order to be confident of the proper use of resources, achievement of objectives and management of risks.
- C2.3 Corporate Team Members and Heads of Service shall review existing controls in the light of changes affecting the Council and establish and implement new ones in line with guidance from the Strategic Head (Finance and Business Services). They are also responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication. In such cases the Strategic Head (Finance and Business Services) should be consulted before removing any controls.
- C2.4 Corporate Team Members and Heads of Service shall ensure that staff have a clear understanding of the internal controls which they are required to operate and comply with, and appreciate the consequences of a lack of control.
- C2.5 Internal Audit shall be informed immediately if any officer or elected member believes that there has been or may be a breach of internal controls.

C3 Internal Audit

Why is this important?

The requirement for an internal audit function for local authorities is implied by section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations more specifically require that a “relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance”.

- C3.1 Internal Audit shall have the authority to:
- (i) access all Council premises at reasonable times
 - (ii) access all assets, records, documents, correspondence and control systems
 - (iii) receive any information and explanation from any officer or elected member of the Council considered necessary concerning any matter under consideration
 - (iv) require any employee or elected member of the Council to account for cash, stores or any other Council asset under his or her control

- (v) access records belonging to third parties, such as contractors, when required
- (vi) directly access the Chief Executive, and any Committee of the Council.

C3.2 The Strategic Head (Finance and Business Services), in consultation with Corporate Team Members and the Audit and Standards Committee, shall approve the risk based Internal Audit Annual Plan prepared by the Internal Audit Manager.

C3.3 The Internal Audit Manager shall ensure that effective procedures are in place to investigate promptly any alleged fraud or irregularity.

C3.4 Corporate Team Members and Heads of Service shall:

- (i) consider and respond promptly to recommendations in Internal Audit reports
- (ii) ensure that any agreed actions arising from Internal Audit recommendations are carried out in a timely and efficient fashion
- (iii) notify Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Council's property or resources
- (iv) ensure that new systems for maintaining financial records or records of assets, or changes to such systems, are discussed with and agreed by the Internal Audit Manager prior to implementation.

C4 External Audit

Why is this important?

The Audit Commission who were responsible for appointing external auditors to each local authority in England and Wales were abolished as a result of the introduction of the Local Audit & Accountability Act 2014. From 1 April 2015 a transitional body, Public Sector Audit Appointments Limited (PSAA), established by the Local Government Association (LGA) as an independent company, had the responsibility to oversee the Commission's audit contracts until their expiry date in 2017 (or 2020 if extended by DCLG). Following this date the appointment of the external auditor will be the responsibility of the local authority in accordance with the Local Audit & Accountability Act 2014. The external auditor has rights of access to all documents and information necessary for audit purposes.

C4.1 External auditors shall be given access at all reasonable times to premises, personnel, documents and assets that they consider necessary for the purposes of their work.

C4.2 Staff should ensure that all records and systems are up to date and available for inspection by external audit if required.

C5 Preventing Fraud and Corruption

Why is it this important?

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

- C5.1 The Internal Audit Manager shall maintain and keep up to date the Council's anti-fraud and corruption policy.
- C5.2 The Monitoring Officer shall maintain and keep up to date the Council's whistle-blowing policy.
- C5.3 Staff and elected members shall report any suspected irregularities immediately to Internal Audit.
- C5.4 Should any irregularity reported to Internal Audit be thought to warrant police involvement, the police shall be contacted by the Internal Audit Manager after consulting with the Chief Executive and/or the Strategic Head (Finance and Business Services).
- C5.5 Staff and elected members shall comply with the requirements of the relevant Codes of Conduct relating to making declarations of gifts and hospitality, and private interests.

C6 Security

Why is this important?

The Council holds assets in the form of land, 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.

- C6.1 The Strategic Head (Finance and Business Services) shall ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of £20,000. The function of the asset register

is to provide the authority with information about fixed assets so that they are:

- (i) safeguarded
- (ii) used efficiently and effectively
- (iii) adequately maintained.

- C6.2 Any use of Council property or equipment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.
- C6.3 Legal Services shall hold and provide for the safe custody of all deeds, leases and similar documents relating to the ownership of land and buildings.
- C6.4 Staff and elected members shall not use any Council asset or item of equipment for personal use without proper authority.
- C6.5 Staff and elected members shall ensure the safe custody of monies, vehicles, equipment, furniture, inventories and other property belonging to the Council.
- C6.6 Corporate Team and Heads of Service shall ensure that their service areas maintain a register of moveable assets and equipment in accordance with arrangements defined by the Strategic Head (Finance and Business Services).
- C6.7 Corporate Team and Heads of Service shall ensure that assets and equipment are identified, their location recorded and that they are appropriately marked as Council property and insured.
- C6.8 The Strategic Head (Finance and Business Services) shall be consulted in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- C6.9 Cash holdings on premises shall be kept to a minimum.
- C6.10 Keys to safes and similar receptacles shall be carried on the person of those responsible at all times; loss of any such keys must be reported to the Strategic Head (Finance and Business Services) as soon as possible.
- C6.11 The disposal or part exchange of assets over £20,000 in value should normally be by public auction or open market sale.
- C6.12 Staff and elected members have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a

cost to the Council in some way, or may be in breach of Data Protection legislation.

C6.13 Corporate Team, Heads of Service and Managers shall ensure that inventories are maintained at reasonable levels, are adequately recorded and safe-guarded, and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

C6.14 Corporate Team and Heads of Service shall arrange for independent stock takes at the 31st March each year, and shall provided a certified stock valuation certificate to the Strategic Head (Finance and Business Services) in accordance with the timetable specified for the production of the annual statement of accounts.

C6.15 Heads of Service may authorise for write off or disposal redundant stocks and equipment up to a total value of £2,000 after consultation with Internal Audit. Where any items disposed of have a financial value, appropriate measures must be taken to achieve value for money. Where the value of items to be written off or disposed of exceeds £2,000, authorisation of the appropriate Corporate Team member must be obtained, and disposal should be by competitive quotations or auction, unless, following consultation with the Strategic Head (Finance and Business Services), the relevant Corporate Team member decides otherwise in a particular case.

C7 Treasury Management

Why is this important?

Many millions of pounds pass through the Council's hands each year. Treasury Management procedures aim to provide assurance that the Council's money is properly managed in a way that balances risk with return, but with overriding consideration being given to security.

C7.1 The Strategic Head (Finance and Business Services) shall arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the Council's treasury management policy statement and strategy.

C7.2 The Strategic Head (Finance and Business Services) shall report twice yearly on treasury management activities to Audit and Standards Committee, as well as setting an annual Treasury Management Strategy.

C7.3 The Strategic Head (Finance and Business Services) shall operate such bank accounts as are considered necessary. Opening or closing any bank account shall require the approval of the Strategic Head (Finance and Business Services). All bank accounts shall be in the name of the Council.

- C7.4 The Strategic Head (Finance and Business Services) shall be responsible for ordering all cheques and any other instruments of payment, and shall make adequate arrangements for their safe custody.
- C7.5 All investments of money shall be made in the name of the Council or in the name of nominees approved by the full Council.
- C7.6 The Strategic Head (Finance and Business Services) shall effect any borrowings that may be required, which shall be in the name of the Council.
- C7.7 No loans shall be made to third parties nor any interests acquired in companies, joint ventures or other enterprises without the approval of the Strategy and Resources Committee, following consultation with the Strategic Head (Finance and Business Services).
- C7.8 The Strategic Head (Finance and Business Services) shall arrange for all trust funds to be held, wherever possible, in the name of the Council. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the Strategic Head (Finance and Business Services), unless the deed provides otherwise.
- C7.9 Where an officer of the Council becomes responsible for the safe-keeping or administration of any monies, funds or valuables which are not the property of the Council, but which, save for their employment by the Council the officer would not otherwise have responsibility for, that officer must take all reasonable steps to ensure the monies, funds or valuables involved are properly safe-guarded and accounted for. The officer should inform their line manager of the circumstances relating to any such instances.

C8 Imprest Accounts (Petty Cash)

- C8.1 The Strategic Head (Finance and Business Services) shall approve the provision of any petty cash imprest accounts to meet minor expenditure on behalf of the Council and shall prescribe rules for operating these accounts.
- C8.2 Officers operating a petty cash imprest account shall:
- (i) obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained
 - (ii) make adequate arrangements for the safe custody of the account
 - (iii) produce upon demand by the Strategic Head (Finance and Business Services) or Internal Audit cash and all vouchers to the total value of the imprest amount
 - (iv) record transactions promptly

- (v) reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder
- (vi) provide the Strategic Head (Finance and Business Services) with a certificate of the value of the account held at 31 March each year
- (vii) 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
- (viii) on leaving the authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the Strategic Head (Finance and Business Services) for the amount advanced to him or her.

D. SYSTEMS AND PROCEDURES

D1 General

Why is this important?

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

D1.1 The Strategic Head (Finance and Business Services) shall make arrangements for the proper administration of the Council's financial affairs, including:

- (i) issuing advice, guidance and procedures for officers and others acting on the Council's behalf
- (ii) determining the accounting systems, form of accounts and supporting financial records
- (iii) establishing arrangements for audit of the Council's financial affairs
- (iv) approving any new financial systems to be introduced
- (v) approving any changes to be made to existing financial systems.

D1.2 Corporate Team Members, Heads of Service and Service Manager shall establish appropriate controls to ensure that, where relevant:

- (i) all input is genuine, complete, accurate, timely and not previously processed
- (ii) all processing is carried out in an accurate, complete and timely manner

(iii) output from systems is complete, accurate and timely.

D1.3 Corporate Team Members and Heads of Service shall 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.

D1.4 Corporate Team Members and Heads of Service shall ensure that systems are documented and staff trained in operations.

D1.5 Corporate Team Members shall, subject to approval from the Strategic Head (Finance and Business Services), establish a scheme of delegation identifying officers authorised to act upon their behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority, and shall supply lists of authorised officers, delegated limits, to the Strategic Head (Finance and Business Services), together with any subsequent variations.

D1.6 Information Services shall ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.

D1.7 All staff shall comply with Data Protection, computer misuse and copyright legislation and, in particular, shall ensure that only software legally acquired and installed by the Council is used on its computers.

D2 Income

Why is this important?

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 Council's cashflow and also avoids the time and cost of administering debts.

D2.1 The Strategic Head (Finance and Business Services) shall agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection.

D2.2 The Strategic Head (Finance and Business Services) shall order and supply all receipt forms, books or tickets and similar items and establish the arrangements for their control.

D2.3 The Strategic Head (Finance and Business Services)/Accountancy Manager shall approve all debts to be written off in accordance with the authorisation limits as set out in the table below, and shall keep a record of

all sums written off and will adhere to the requirements of the Accounts and Audit Regulations currently in force.

Amount/Limit	Authorisation process
Amounts not exceeding £250	Senior Accounting Technician in consultation with the Accountancy Manager.
Amounts greater than £250 but not exceeding £10,000	Strategic Head (Finance and Business Services)/Accountancy Manager in consultation with the relevant Corporate Team Member or Head of Service.
Amounts greater than £10,000 but not exceeding £20,000	Strategic Head (Finance and Business Services)/Accountancy Manager in consultation with the relevant Corporate Team Member or Head of Service. Write-offs must be reported retrospectively to the relevant delegated Committee.
Amounts greater than £20,000	These should only be written-off with the approval of the Strategy and Resources Committee.

- D2.4 Corporate Team Members and Heads of Service shall establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it regularly, in line with corporate policies.
- D2.5 Corporate Team members and Heads of Service must seek to recover sundry debt outstanding in accordance with Debt Recovery Policy as approved by the Strategic Head (Finance and Business Services).
- D2.6 Corporate Team Members and Heads of Service shall establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- D2.7 Staff shall issue official receipts or to maintain other documentation as approved by the Strategic Head (Finance and Business Services) for all income collected.
- D2.8 At least two employees shall be present when post is opened, and money received by post shall be properly identified and recorded.
- D2.9 All income shall be paid fully and promptly into Cashiers or to the Council's designated security collection agency. Appropriate details should be recorded on paying-in slips to provide an audit trail.
- D2.10 Income collected shall be paid in intact, and shall not be used to cash personal cheques or make payments, except where specifically permitted by the Strategic Head (Finance and Business Services).

D2.11 Heads of Service shall supply the Strategic Head (Finance and Business Services) with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Strategic Head (Finance and Business Services) to record correctly the sums due to the Council and to ensure debtor accounts are sent out promptly. To do this, established performance management systems should be used to monitor recovery of income and flag up areas of concern to the Strategic Head (Finance and Business Services). All staff have a responsibility to assist the Strategic Head (Finance and Business Services) in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

D2.12 A record shall be kept of every transfer of money between employees of the Council. The receiving officer must sign for the transfer and the transferor must retain a copy.

D2.13 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.

D2.14 The Strategic Head (Finance and Business Services) shall be notified of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Strategic Head (Finance and Business Services) and not later than 30 April.

D3 Ordering and Paying for Work, Goods and Services

Why is this important?

Public money should be spent with demonstrable probity and in accordance with the Council's policies. The Council has a statutory duty to achieve best value, in part through economy and efficiency. The Council's procedures should help to ensure that services obtain value for money from their purchasing arrangements.

These procedures must be read in conjunction with the Council's Procurement and Procedure Rules relating to contracts.

D3.1 Every officer and member of the Council has a responsibility to declare any links or personal interests that they may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with the relevant Codes of Conduct.

D3.2 Official orders must be in a form approved by the Strategic Head (Finance and Business Services). Official orders must be issued for all work, goods or services to be supplied to the Council, except for supplies of utilities,

periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Strategic Head (Finance and Business Services).

- D3.3 Each order must conform to the guidelines approved by the Council on central purchasing contracts and the standardisation of supplies and materials.
- D3.4 Apart from petty cash, Government Procurement Card, and payments made from cash advances, the normal method of payment shall be by cheque or BACS, drawn on the Council's bank account by the Strategic Head (Finance and Business Services). The use of direct debit for any payment shall require the prior agreement of the Strategic Head (Finance and Business Services).
- D3.5 The Strategic Head (Finance and Business Services) will give authorisation for an Officer to use a Government Procurement Card. When the card has been issued the Officer must follow the regulations set out in the Conditions of Use and procedures Manual. In particular a VAT invoice should be obtained for each transaction.
- D3.6 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Council contracts or purchasing arrangements.
- D3.7 The authoriser of a purchase order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Best value principles should underpin the Councils approach to procurement. Value for money should always be achieved.
- D3.8 Goods and services shall be checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order.
- D3.9 Payment shall not made unless a proper VAT invoice has been received, checked, coded and certified for payment, in accordance with the procedures specified by the Strategic Head (Finance and Business Services). Invoices shall not be amended; if any invoice is found to be incorrect, a replacement shall be requested from the originator.
- D3.10 Payments shall not be made on photocopied or faxed invoices, statements or any documents other than the formal invoice which may be received via email. Where an original document cannot be supplied, due to it having been lost or not received, copies must be duly certified as such in accordance with the procedures specified by the Strategic Head (Finance and Business Services).

D3.11 The Strategic Head (Finance and Business Services) shall arrange for such checks and requests for explanation as are considered necessary before any payment is made. Payment may be withheld if the Strategic Head (Finance and Business Services) considers that to make such payment may be illegal or improper.

D3.12 The Strategic Head (Finance and Business Services) shall be notified of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Strategic Head (Finance and Business Services) and, in any case, not later than 30 April.

D3.13 Where any contract exceeds £150,000 in value, details of the proposed list of contractors to be invited to tender shall be provided to Financial Services for vetting of their financial status.

D3.14 With regard to contract management and monitoring, the following requirements must be complied with:

- (i) payment to contractors shall only be made on a certificate issued by the responsible officer in accordance with the contract, which shall show the estimated value of work to date, the balance remaining, and the percentage of retention money if any,
- (ii) any variation to a contract shall be authorised by the supervising or responsible officer who shall, where possible notify the contractor in writing prior to the work being done. All verbal variations to a contract must be confirmed by a written variation order in accordance with the requirements of the contract,
- (iii) any variation shall be reported to the Strategy and Resources Committee where a substantial change in the specification of any works or additional expenditure is involved which is likely to result in exceeding the original project budget by 5% or by £10,000 (whichever is the greater),
- (iv) Where the final value of a contract exceeds £100,000 Internal Audit shall be notified at practical completion stage, and they shall undertake such checks on the contract as they consider necessary before a final account is agreed with the contractor.

D3.17 Nothing in these Financial Regulations shall prevent the Strategy and Resources Committee from incurring expenditure which is essential to meet any immediate needs created by a sudden emergency or which is referable to Section 138 of the Local Government Act 1972 Emergency Regulations.

D3.18 When an event is deemed to be an emergency by the County Emergency Planning Team any one of the following officers shall be permitted to authorise expenditure up to £100,000:

- Chief Executive
- Strategic Heads
- Strategic Head (Finance and Business Services)

In the unlikely event that none of these are available, the most senior officer present is expected to authorise such expenditure as is necessary to quickly and effectively respond to the emergency. Appropriate records and audit trails must be kept, and all expenditure must be made through the Co-ordination Team.

D4 Payments to Employees and Members

Why is this important?

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

- D4.1 The Strategic Head (Finance and Business Services) shall arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to employees, in accordance with prescribed procedures, on the due date.
- D4.2 The Strategic Head (Finance and Business Services) shall make arrangements for paying members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- D4.3 Corporate Team Members and Heads of Service shall ensure that appointments are made in accordance with the regulations and policies of the Council and the approved staffing establishment, grades and scale of pay and that adequate budget provision is available.
- D4.4 The Strategic Head (Finance and Business Services) and Human Resources shall be notified immediately of all appointments, terminations (including proposed redundancies and early retirements), or variations which may affect the pay or pension of an employee or former employee, in the form required by the Strategic Head (Finance and Business Services).
- D4.5 Officers authorising travel and subsistence claims and other allowances shall satisfy themselves that journeys were on Council business and expenses were properly and necessarily incurred, and that reimbursement is properly due from the Council, ensuring that cost-effective use of travel arrangements is achieved.

- D4.6 Officers authorising travel claims must satisfy themselves that the vehicles used for council business are properly insured, taxed and roadworthy.
- D4.7 Officers authorising payments shall satisfy themselves that work claimed for has actually been undertaken and/or in the case of goods that they have actually been received.
- D4.8 The Strategic Head (Finance and Business Services) shall be notified of the details of any benefits in kind received by employees, to enable full and complete reporting in accordance with Inland Revenue requirements.

D5 Taxation

Why is this important?

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

- D5.1 The Strategic Head (Finance and Business Services) shall arrange for the correct completion and submission of all HM Revenue and Customs returns regarding PAYE.
- D5.2 The Strategic Head (Finance and Business Services) shall arrange for the completion an accurate monthly return of VAT inputs and outputs to HM Revenue and Customs.
- D5.3 The Strategic Head (Finance and Business Services) shall arrange for the submission of all required details to the HM Revenue and Customs regarding the construction industry tax deduction scheme.
- D5.4 Staff shall 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, in accordance with guidance and instructions issued by the Strategic Head (Finance and Business Services).
- D5.5 Staff shall ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- D5.6 Capital Schemes – There are VAT implications for de minimus exempt income calculation. There is a need to consult with the Strategic Head (Finance and Business Services) on VAT implications of all new schemes.

D6 Partnerships

Why is this important?

Partnerships play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. The Council is continually working in partnership with others – public agencies, private companies, community groups and voluntary organisations, in order to mobilise investment, bid for funds, champion the needs of the area and harness the energies of local people and community organisations.

D6.1 The main reasons for entering into a partnership are:

- (i) the desire to find new ways to share risk
- (ii) the ability to access new resources
- (iii) to provide new more efficient ways of delivering services
- (iv) to forge new relationships.

D6.2 A partner is defined as either:

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

D6.3 Partners participate in projects by:

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

D6.4 Partners have common responsibilities:

- (i) to be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organization.
- (ii) to act in good faith at all times and in the best interests of the partnership's aims and objectives.
- (iii) be open about any conflict of interests that might arise.
- (iv) to encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors.
- (v) to hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature.
- (vi) to act wherever possible as ambassadors for the project.

D6.5 Where the Council's total financial commitment to any partnership project in terms of funding in cash or in kind is anticipated to exceed £100,000, the following requirements must be agreed with the Strategic Head (Finance and Business Services):

- (i) a scheme appraisal for financial viability in both the current and future years.
- (ii) risk appraisal and management.
- (iii) resourcing, including taxation issues.
- (iv) audit, accounting, security and control requirements.
- (v) carry-forward arrangements.

D6.6 Partnership agreements and arrangements should not be entered into where they may impact adversely upon the services provided by the Council.

D6.7 Partnership agreements and arrangements shall be properly documented, in a format agreed by the Strategic Head (Finance and Business Services) and the Monitoring Officer.

D6.8 Where a partnership involves the procurement of goods or services, the requirements of the Council's Procurement and Procedure Rules relating to contracts and Financial Regulations must be followed in the selection of partner organisations and the workings of partnerships when Stroud District Council is the lead authority on procurement. Where the normal tendering arrangements are not appropriate the Strategic Head (Finance and Business Services) shall agree a Service Level Agreement between the organisations involved.

D6.9 The Strategic Head (Finance and Business Services) shall be entitled to request sufficient information relating to any partnership agreement or arrangement to make entries in the Council's accounting records or any disclosure in the Council's statement of accounts which may be required.

D7 External Funding

Why is this important?

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

- D7.1 The Strategic Head (Finance and Business Services) shall be notified in advance of all funding to be received from external bodies and shall make arrangements for the proper receipt and recording of such funding in the Council's accounting records.
- D7.2 Corporate Team Members and Heads of Service shall ensure that bids or applications for external funding are only made where they can be justified in terms of the Council's aims and objectives, and that suitable and sufficient resources can be allocated to comply with any funding, administration and accounting requirements without adversely impacting upon the Council's existing services.