

Public Document Pack



PLEASE NOTE THAT PRAYERS WILL BE HELD AT 6.50PM BEFORE THE COMMENCEMENT OF THE BUSINESS OF THE COUNCIL.

THE MAYOR REQUESTS THAT ANY MEMBER WISHING TO PARTICIPATE IN PRAYERS BE IN ATTENDANCE BY NO LATER THAN 6.45PM.

Venue second floor Dance Studio J2

As part of the Council's Covid Secure arrangements, no one other than Council Members, the Chief Executive and Monitoring Officer will be permitted in the meeting room. Members of the public and press can watch the meeting live via the Council's YouTube channel. Council Members wishing to participate by Zoom will be able to do so.

Dear Councillor,

You are summoned to attend the meeting of the Borough Council of Newcastle-under-Lyme to be held in the **Full Council - Jubilee 2 with Video Conferencing - Conference on Wednesday, 23rd September, 2020 at 7.00 pm.**

B U S I N E S S

1 APOLOGIES

2 DECLARATIONS OF INTEREST

To receive declarations of interest from Members on items contained within this agenda.

3 MINUTES OF PREVIOUS MEETING

(Pages 7 - 14)

To consider the minutes of the previous meeting(s)

4 ELECTION OF MAYOR 2020/21

When the Mayor has declared the result of the election, the new Mayor, preceded by the Mace Bearers, will retire from the room, accompanied by the Chief Executive and the Mayor Elect.

The Mayor Elect will then be robed and invested with the chain of office. The Mayor Elect will then return to the meeting room preceded by the Mace Bearers and accompanied by the Chief Executive.

The Mayor will take the chair and make the declaration of acceptance of office.

5 APPOINTMENT OF DEPUTY MAYOR 2020/21

Following the appointment of the Deputy Mayor, he/she will make the declaration of acceptance of office.

6 MAYORAL APPOINTMENTS

The Mayor will announce appointments to Civic Roles for the forthcoming year.

7 MAYORAL ADDRESS

To receive the Mayoral address.

8 VOTE OF THANKS TO THE RETIRING MAYOR AND CONSORT

In appreciation of their services during the past year, the Group Leaders will lead a vote of thanks to the retiring Mayor and Consort.

9 RESPONSE OF THE RETIRING MAYOR AND SUMMARY OF THE MAYORAL YEAR

Retiring Mayor's response.

10 MAYOR'S ANNOUNCEMENTS

11 APPOINTMENT OF DEPUTY LEADER AND CABINET

The Leader will report the appointment of his Cabinet and Deputy Leader for 2020/21.

12 APPOINTMENT OF COMMITTEES, CHAIRS AND VICE-CHAIRS FOR 2020/21 (Pages 15 - 26)

To appoint Members to committees.

13 CHANGES TO THE CONSTITUTION OF THE COUNCIL (Pages 27 - 104)

14 URGENT DECISION TAKEN ON 28 APRIL, 2020 (Pages 105 - 114)

To receive an urgent decision taken under urgency powers by the Council's Chief Executive to suspend the six month rule.

15 APPOINTMENT OF MEMBERS TO CHAPEL AND HILL CHORLTON PARISH COUNCIL (Pages 115 - 118)

16 KIDSGROVE SPORTS CENTRE REFURBISHMENT UPDATE (Pages 119 - 124)

17 STATEMENT OF THE LEADER OF THE COUNCIL (Pages 125 - 128)

To receive a statement by the Leader of the Council on the activities and decisions of Cabinet and items included on the Forward Plan.

18 REPORTS OF THE CHAIRS OF THE REGULATORY COMMITTEES (Pages 129 - 134)

A copy of the reports are attached for:

- Licensing and Public Protection Committee
- Planning Committee
- Audit and Standards

19 REPORTS OF THE CHAIRS OF THE SCRUTINY COMMITTEES (Pages 135 - 138)

- a) Economy, Environment and Place Scrutiny Committee
- b) Health, Wellbeing and Partnerships Scrutiny Committee

A verbal update will be given for the Finance, Assets and Performance Scrutiny Committee

20 QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS (Pages 139 - 140)

21 RECEIPT OF PETITIONS

To receive from Council Members any petitions which they wish to present to the Council.

22 URGENT BUSINESS

To consider any communications which pursuant to Appendix 7, Procedure Rule 8 of the constitution are, in the opinion of the Mayor, of an urgent nature and to pass thereon such resolutions as may be deemed necessary.

Yours faithfully



Chief Executive

NOTICE FOR COUNCILLORS

1. Fire/Bomb Alerts

In the event of the fire alarm sounding, leave the building immediately, following the fire exit signs..

Fire exits are to be found at the side of the room leading into Queens Gardens.

On exiting the building Members, Officers and the Public must assemble at the statue of Queen Victoria. DO NOT re-enter the building until advised to by the Controlling Officer.

2. Attendance Record

Please sign the Attendance Record sheet on entering the building. This will be located at the reception desk.

3. Mobile Phones

Please switch off all mobile phones before entering the Council Chamber.

4. Notice of Motion

A Notice of Motion other than those listed in Procedure Rule 14 must reach the Chief Executive ten clear days before the relevant Meeting of the Council. Further information on Notices of Motion can be found in Section 5, Standing Order 20 of the Constitution of the Council.

Officers will be in attendance prior to the meeting for informal discussions on agenda items.

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COUNCIL

Wednesday, 19th February, 2020
Time of Commencement: 7.00 pm

Present: The Mayor- Councillor Simon White (Chair)

Councillors:	J. Cooper	S Tagg	R. Wright
	J. Walklate	S. Burgess	G White
	G Williams	M. Stubbs	J Waring
	J Williams	J Tagg	A. Fox-Hewitt
	A. Fear	P. Northcott	B. Johnson
	T. Kearon	B. Proctor	A. Lawley
	P Waring	S. Dymond	Mrs J Cooper
	M. Holland	T. Johnson	G. Burnett
	Miss J Cooper	A. Parker	H. Maxfield
	M. Reddish	S. Pickup	K. Owen
	K. Robinson	M. Olszewski	G. Hutton
	E. Shenton	D. Jones	D.Grocott
	G. Heesom	A. Gardner	
	S. Sweeney	B. Panter	

Officers:	David Adams	Executive Director Operational Services
	Geoff Durham	Mayor's Secretary / Member Support Officer
	Jan Willis	Interim Executive Director - Resources and Support Services and Section 151 Officer
	Martin Hamilton	Chief Executive
	Simon McEneny	Executive Director - Commercial Development & Economic Growth
	Daniel Dickinson	Head of Legal /Monitoring Officer
	Denise French	Democratic Services Team Leader
	Phil Jones	Head of Communications

Also in attendance:

1. **APOLOGIES**

Apologies were received from Councillors Moffat, Rout and Wilkes.

2. **DECLARATIONS OF INTEREST**

Councillors' Jones and Kearon declared an interest in agenda item 7. Both Members worked or had worked with Phil Butters of Keele University.

3. **MINUTES**

Resolved: That, subject to the following amendment, the Minutes of the meeting held on 29 January, 2020 be agreed as a correct record:

Under item 11, Councillor John Williams be removed as recording his vote in support of the Motion.

4. MAYOR'S ANNOUNCEMENTS

The Mayor invited Members to attend his Civic Mass on 1 March and Charity Ball on 25 April.

5. REVENUE AND CAPITAL BUDGETS AND STRATEGIES 2020/21

The Leader of the Council, Councillor Simon Tagg introduced this report and moved the recommendations which set out the recommendations of Cabinet for Revenue and Capital Budgets for 2020/21.

Cabinet proposed an increase in council tax for 2020/21 of £5.00 per year from the 2019/20 amount. This represented an increase of 2.55 percent from 2019/20. Detailed recommendations were set out in Appendix A of the report. Appendix B set out the proposed Revenue Budget for 2020/21. A summary of additional income, additional expenditure and loss of income and new pressures was given in the report.

In summary the Council's updated Medium Term Financial Strategy (MTFS) indicated a forecast budget shortfall of £1.249m for 2020/21. A summary of savings and funding strategies to bridge the £1.249m gap had been identified and agreed with managers and were given at Appendix C.

The Council's s151 officer had carried out a review of the Council's Balances and Reserves together with a risk assessment. Details were given in Appendices D and E. The MTFS and budget proposals had been scrutinised by the Finance, Assets and Performance Scrutiny Committee.

The Capital Programme for 2020/21 was given in Appendix F of the report.

The Leader advised Members that many vacant posts had been filled which eliminated the need for, often expensive interim cover. The budget also included a further boost to the Council's reserves.

The Interim Executive Director of Resources and Support Services, Jan Willis and her team were thanked for the work that had been put into the preparation of the Budget. In addition the Cabinet members and members of the Finance, Assets and Performance Scrutiny Committee were thanked for their work.

Members' attention was drawn to paragraph 4.5 of the report, the Borough Growth Fund which set out four areas that were important to the residents of the Borough.

The Portfolio Holder for Finance and Efficiency, Councillor Stephen Sweeney seconded the recommendations and thanked officers for their hard work in preparing the budget.

Councillor Sweeney drew Members attention to paragraph 2.1 of the report regarding the £485,000 variance against the 2018/29 budget as at the end of quarter three and advised that savings had been identified from repairs and renewals, disused Council assets and digital delivery. In addition, grants had been received. Councillor Sweeney stated that the above grants and savings went a long way towards addressing the variance and that there was still time left to find the remainder. Recent senior management appointments would reduce pressure on the revenue budget arising from the use of interims, saving the Council in the region of £240,000 a year.

The budget allowed for the introduction of the new recycling service, refurbishment and re-opening of Kidsgrove Sports Centre, upgraded CCTV, new parking machines and the provision of an electricity supply to market stalls to allow for evening trading.

A proposed amendment was tabled at the meeting and was shown on pages 109 – 110 of the supplementary agenda. It was proposed by Councillor Stubbs and seconded by Councillor Jones.

Councillor Stubbs spoke on his amendment stating that the Council could work alongside other organisations to create a local economy that shared wealth and power more equally.

The Interim Head of Resources and Support Services – Jan Willis and the wider finance team were thanked for their work on the budget. Councillor Stubbs stated that it was a balanced budget which protected the most vulnerable.

The proposed amendment sought to look into Community Wealth Building which could redirect wealth back into the local economy.

Councillor Jones seconded the proposed amendment stating that the amendment sought to highlight the social value of the money administered by the Council.

The amendment was not accepted.

Councillor Sweeney stated that he would not be supporting the amendment having researched the Preston model referred to in the amendment.

Members debated the amendment. Councillor Hutton referred to 'social value' stating that the Council already did this as part of the Procurement Procedures.

Councillor Proctor asked why the Leader had not been approached at an earlier stage to discuss the issues contained within the amendment which could have been addressed. There had also been opportunity to raise concerns at the Finance, Assets and Performance Scrutiny Committee.

Councillor Robinson stated that the proposals put forward in the amendment were reasonable and would give the Council extra protection on how money was spent.

Councillor Holland stated that the amendment did not contain anything that would enhance the work of the Council and Councillor Fear added that the amendment was trying to subvert the budget.

The Leader stated that he had listened to and agreed with all the points raised against the amendment and urged all Members to vote against it.

A vote was taken on the proposed amendment:

For: 17

Against: 21

Abstentions: 2

The amendment was defeated.

Members debated the budget as submitted.

Members welcomed the budget. Councillor Proctor was pleased that new staff members were in place. In addition, the success of the capital receipts and the strategy to increase the Council's reserves were also welcomed by Councillors' Hutton and Jennifer Cooper.

Councillor Holland stated the budget consultation had brought in three times the number of responses of previous years and showed that the proposals contained within the budget were clearly in line with what residents wanted.

Councillor Shenton had concerns about the recommendations, stating that some required explanation.

In summing up, the Leader stated that the budget invested in the rejuvenation of the Market, car parking fees had been reduced after 1pm in the town centre and there would be an improved recycling service.

A named vote was then taken in respect of the proposed budget:

BURGESS	N	JONES	N	SHENTON	N
BURNETT	Y	KEARON	N	STUBBS	N
COOPER. MRS	Y	LAWLEY	N	SWEENEY	Y
COOPER MR	Y	MAXFIELD	Y	TAGG J	Y
COOPER MISS	Y	MOFFAT	NOT PRESENT	TAGG S	Y
DYMOND	N	NORTHCOTT	Y	WALKLATE	Y
FEAR	Y	OLSZEWSKI	N	WARING J	Y
FOX-HEWITT	N	OWEN	Y	WARING P	Y
GARDNER	N	PANTER	Y	WHITE G	Y
GROCOTT	N	PARKER	Y	WHITE S	Y
HEESOM	Y	PICKUP	N	WILKES	NOT PRESENT

HOLLAND	Y	PROCTOR	Y	WILLIAMS G	N
HUTTON	Y	REDDISH	Y	WILLIAMS J	N
JOHNSON B	N	ROBINSON	N	WRIGHT	N
JOHNSON T	Y	ROUT	NOT PRESENT		

In Favour (Y)- 24

Against (N)- 17

Abstain – 0

Resolved: That recommendations a to o, as set out in Appendix 'A' of the agenda report be approved.

6. PUBLICATION OF A PAY POLICY STATEMENT FOR 2020/21

The Leader introduced a report seeking Council's approval of the Pay Policy Statement for 2020/21.

This was an annual requirement of the Localism Act, 2011 setting out the remuneration of chief officers and the lowest paid employees. The Leader added that the Council now had a Monitoring Officer and a new Executive Director in place.

Resolved: That the Pay Policy Statement, as attached at Appendix A to the report, be approved.

7. APPOINTMENTS TO THE INDEPENDENT REMUNERATION PANEL

The Leader introduced a report seeking approval to appoint an Independent Remuneration Panel to consider the Members Allowance Scheme.

The Panel needed to be appointed first and the recommendations of the Panel would be debated at a later date.

Councillor Shenton stated that the Members Allowance Scheme as set out in the Council's Constitution was out of date and the Constitution and Member Support Working Group had agreed to meet to make updates prior to the Independent Remuneration Panel's meetings.

Councillor Holland stated that the Scheme as set out in the Constitution had outdated language.

Resolved: That the following be appointed to the Independent Remuneration Panel:-

- Phil Butters – Director Keele University
- Jackie Wheeler – Facilities Manager VAST
- Eddie Leligdowicz – Director LEMACA Ltd and Chairman of the Newcastle-under-Lyme Business Improvement District

8. CHANGES TO COMMITTEE MEMBERSHIP

The Leader introduced a report advising Members of changes to committee membership following a change in political group membership.

Councillor Ian Wilkes had moved from the Liberal Democrat Group to the Conservatives which resulted in a change of proportionality for places on committees. The Conservative Group gained one seat and the Liberal Democrats lost one.

Councillor Wilkes was both a member and Chair of the Health and Wellbeing Scrutiny Committee and therefore the seat was transferred over to the Conservative Group to balance the proportionality. Furthermore, as the change was simply a cross over, and having taken advice from the Monitoring Officer, there was no requirement to elect a new Chair to the Scrutiny Committee.

- Resolved:**
- (i) That the change in the allocation of committee seats to the political groups to reflect updated proportionality requirements, namely the reduction of one Liberal Democrat seat on the Health, Wellbeing and Partnerships Scrutiny Committee and the increase of one Conservative seat on the same committee, be noted.
 - (ii) That Councillor Ian Wilkes be appointed to the newly allocated Conservative seat on the Health, Wellbeing and Partnerships Scrutiny Committee.

9. QUESTIONS TO THE MAYOR, CABINET MEMBERS AND COMMITTEE CHAIRS

Questions to the Mayor, Cabinet Members and Committee Chairs could be found on page 111 of the supplementary agenda.

Councillor Parker asked the Portfolio Holder for Community Safety and Wellbeing what measures the Council was taking to deal with the possible threat of the Corona Virus in the Borough.

Councillor Helena Maxfield advised that there was no need for alarm.

In terms of business continuity at the Council, there was a cascade mechanism to provide cover. Hand sanitisers had been installed within Castle House and posters put up around the building providing advice for people who had recently returned from China.

There were no reports of anyone local having contracted the virus but this would continue to be monitored by officers.

Councillor Graham Hutton, asked the Portfolio Holder for Planning and Growth if the Council would take legal action to have buildings built without planning permission removed.

Councillor Paul Northcott stated that the answer was a caveated yes. The Council would investigate the matter, undertake the expediency test, invite an application if appropriate and, if the application was refused or no application made, enforcement action would be considered in light of the seven exemptions in the legislation. If none of those applied, officers would commence the steady but ruthless process of enforcement action to secure demolition of the building and the restoration of the site to its former use and appearance.

Councillor Fox-Hewitt asked the Leader to update members on what investigations had been undertaken relating to recent complaints of staff ill health to rule out potential links with mould spores or poor air quality.

The Leader advised that a small number of officers had complained of headaches which could possibly be linked to the air handling units and glare.

Two strategies were in place; to make sure that the units were operating as they should and the installation of darker blinds where officers had reported their workspace as too bright giving glare off computer screens for example.

A company (BISRA) had been brought in to undertake tests to monitor noise and temperature levels and the results would be received within the next few weeks. Occupational Health would monitor officers who had reported ill health.

The mould spores issue was a separate matter. These had been discovered during works to repair a leak and this had been isolated to the two meeting rooms / Registrars area on the ground floor. This area had now had a deep cleanse and there had been no reported health issues relating to that.

Newcastle was working with Stoke City Council and Staffordshire County Council to improve air quality across the area but officers had advised that the area around Castle House was not of any concern.

Councillor Fox-Hewitt stated that in previous air samples taken in 2010 and 2017 there had been fractions of fine particulate matters. The Leader was asked if he could advise of levels of Nitrogen Dioxide and fragments both inside and outside of Castle House.

The Leader advised that he would send a written response to the above question to all Members.

10. RECEIPT OF PETITIONS

There were no petitions submitted.

11. STANDING ORDER 18 - URGENT BUSINESS

There was no urgent business.

COUNCILLOR SIMON WHITE
Chair

Meeting concluded at 8.20 pm

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Council
23 September 2020

Report Title: **Committee, Outside Body and Group Leader/Deputy Leadership Appointments 2020/21**

Submitted by: **Chief Executive**

Portfolios: **Corporate and Service Improvement, People and Partnerships**

Ward(s) affected: **All**

Purpose of the Report

To appoint to committees, including chairs and vice-chairs, for 2020/21. To note the position in respect of appointments to outside bodies and Group Leader/Deputy Leadership positions.

Recommendation

That Council makes the committee appointments set out in the Appendix to this report and notes the position in respect of appointments to outside bodies and Group Leader/Deputy Leadership positions.

Reasons

In accordance with the requirements of the Constitution, and to enable council business to be conducted through committees (Sections 101 & 102 of the Local Government Act 1972; Section 6 of the Licensing Act 2003) and to comply with the requirements in respect of Scrutiny (Part 1A of the Local Government Act 2000).

1. Background

Committee Appointments

- 1.1 The Local Government and Housing Act 1989 (“the 1989 Act”) imposes political proportionality requirements in respect of the appointment of committees (other than the Executive).
- 1.2 Specifically, section 15 of the Act requires that four principles be followed in allocating committee seats:-
 - (a) All seats on a committee cannot be allocated to the same political group;
 - (b) The majority of the seats on each committee should be allocated to the political group holding the majority of seats on the council;

- (c) Subject to (a) and (b) above, the number of seats on the total of all the ordinary committees of the council allocated to each political group should bear the same proportion to the proportion of their seats on the council;
- (d) Subject to (a), (b) and (c) above, the number of seats on each ordinary committee of the council allocated to each political group should bear the same proportion to the proportion of their seats on the council.

- 1.3 In order to fulfil these requirements in the order stated, and particularly to achieve the best fit of requirement (d) while maintaining requirement (c), it is usual for a small number of manual adjustments to be required to the allocations for individual committees.
- 1.4 Under Council Procedure Rule 2, the council also appoints chairs and vice-chairs of committees at its annual meeting.
- 1.5 Government advice on Scrutiny Committees suggests that local authorities might consider it appropriate to have all or some of these committees chaired by members outside the majority group.

Outside Body Appointments

- 1.6 The appointments previously made by Council to Outside Bodies were made up to 2022. There are currently no vacancies in the appointments that have been made. Accordingly, there is no need to make any appointments to Outside Bodies at this meeting.

Group Leadership/Deputy Leadership

- 1.7 For completeness, Political Group Leader and Deputy Leaderships are also reported in the appendix to this report.

2. **Issues**

- 2.1 There are some potential issues in the way committees are constituted which can hinder an authority's ability to fulfil the requirements of the 1989 Act.
- 2.2 If a committee has an even number of seats, depending on the size of the majority, this can effectively prevent the fulfilling of requirement (b) without grossly distorting the allocation and adversely affecting the ability to fulfil the other requirements. For this reason it is best practice for committees to have an odd number of seats.
- 2.3 Certain sizes of committee can lead to the necessity to make a large number of manual adjustments to the allocations on those committees to achieve overall proportionality (requirement (c)). This, in turn, distorts the ability to achieve a closeness of fit to requirement (d) in respect of the individual committees. For this reason it is best practice to avoid certain numbers of seats on individual committees, although these numbers will vary depending on the overall number of seats on an authority and how these are divided up between the political groups.
- 2.4 Section 16(2A) of the 1989 Act (inserted by Regulation 16 of the Local Government (Committees and Political Groups) Regulations 1990) provides that each independent member (ie a member who is not part of a political group) is treated in

the same way as a group for the purpose of the allocation of seats. This regularises the position insofar as it is in any case only possible to comply with the legislation and also fill all committee seats by treating each independent member in this manner.

2.5 The Licensing Committee, being the committee established under section 6 of the Licensing Act 2003, is not subject to the proportionality rules of the 1989 Act. However, this council (like many others) has previously determined that it will be treated in the same manner as the ordinary committees in that respect, and it is therefore included in the overall calculations.

3. **Proposal**

3.1 In light of the issues identified under section 2 above and recent changes to the memberships of the political groups, the overall size of the council's committees and the allocation of seats has been reviewed.

3.2 The resulting proposed committee structure and allocation of seats is set out in the appendix. The political groups have been requested to submit nominations in accordance with their group allocations, and these are also shown in the appendix.

3.3 The groups' nominations for the chairmanships and vice-chairmanships of committees are also shown in the appendix.

4. **Reasons for Proposed Solution**

4.1 To comply with the legislative requirements and Council's constitution.

5. **Options Considered**

5.1 N/A

6. **Legal and Statutory Implications**

6.1 Dealt with in the body of the report.

7. **Equality Impact Assessment**

7.1 N/A

8. **Financial and Resource Implications**

8.1 There are no significant direct financial or resource implications arising from the proposals. There is no change to the number of chairmanships or vice-chairmanships so no impact on members' allowances.

9. **Major Risks**

9.1 It is essential that the council's decision making structures and processes are robust and established in line with the relevant legislation and principles of good governance, to minimise the risk of legal challenge. The proposed approach seeks to ensure those aims are met.

9.2 The appointment of scrutiny committees enables the Council to achieve enhanced accountability and transparency of decision making process. Scrutiny is a key

element of the Council's executive arrangements and is the main way by which executive decision-makers are held to public account for the discharge of the functions for which they are responsible.

9.3 The scrutiny process is a key mechanism for enabling councillors to represent the views of their constituents and other organisations to the cabinet and to the Council and, by examining the operation and impact of the Council's policies, is a useful means of improving the development and delivery of services. Lack of an effective scrutiny function could lead to a lack of democratic accountability for the Council.

10. **Sustainability and Climate Change Implications**

10.1 N/A

11. **Key Decision Information**

11.1 N/A

12. **Earlier Cabinet/Committee Resolutions**

12.1 N/A

13. **List of Appendices**

13.1 Nominations

14. **Background Papers**

14.1 N/A

Notification of Political Groups of the Borough Council

Members are advised that the Proper Officer has received notification, under the provisions of the Local Government (Committees and Political Groups) Regulations 1990, of the operation of four political groups on the Council namely:-

NAME & NUMBER OF MEMBERS	DESIGNATED LEADER	DESIGNATED DEPUTY LEADER
LABOUR (19)	MIKE STUBBS	DAVE JONES
CONSERVATIVE (19)	SIMON TAGG	MARK HOLLAND
LIBERAL DEMOCRAT (2)	MARION REDDISH	JUNE WALKLATE
NEWCASTLE INDEPENDENT GROUP (2)	BERT PROCTOR	KEN OWEN
BOROUGH INDEPENDENT GROUP (2)	GARY WHITE	SIMON WHITE

Classification: NULBC UNCLASSIFIED

Representation of Political Groups in Committees and Appointment of Members to Committees

COMMITTEE	TOTAL SEATS	LABOUR	CONSERVATIVE	LIBERAL DEMOCRAT	BOROUGH INDEPENDENT GROUP	NEWCASTLE INDEPENDENT GROUP
Audit & Standards	7	3	3	0	0	1
		Mike Stubbs	Gill Burnett			Ken Owen
		Sarah Pickup	Barry Panter			
		Sylvia Dymond	Paul Waring			
Substitutes						
		Kyle Robinson	Andrew Parker			Bert Proctor
		Gill Williams	Mark Holland			
			Graham Hutton			

Employment Committee	7	3	3	0	1	0
		Elizabeth Shenton	Mark Holland		Gary White	
		Mike Stubbs	Stephen Sweeney			
		Andrew Fox-Hewitt	Simon Tagg			
Substitutes						
		John Williams	Helena Maxfield		Simon White	
			Paul Northcott			
			Jill Waring			

Classification: NULBC UNCLASSIFIED

Licensing & Public Protection	15	7	6	1	1	0
		Gill Williams	John Cooper	June Walklate	Simon White	
		John Williams	Graham Hutton			
		Tony Kearon	Andrew Parker			
		Dave Jones	Stephen Sweeney			
		Sylvia Dymond	Gill Heesom			
		Ruth Wright	Jill Waring			
		Mark Olszewski				
Substitutes						
		Sylvia Burgess	Julie Cooper	Marion Reddish	Gary White	
		Sue Moffat	Trevor Johnson			
			John Tagg			
			Paul Northcott			
			Ian Wilkes			

Conservation Advisory	5	2	2	1	0	0
		Allison Gardner	Julie Cooper	June Walklate		
		Annabel Lawley	Trevor Johnson			
Substitutes						
		Elizabeth Shenton	Gill Burnett	Marion Reddish		
			Barry Panter			

Classification: NULBC UNCLASSIFIED

Planning	12	5	5	1	0	1
		Gill Williams	Jenny Cooper	Marion Reddish		Ken Owen
		John Williams	Andrew Fear			
		Sylvia Burgess	Helena Maxfield			
		Sue Moffat	Paul Northcott			
		Dave Jones	Mark Holland			
Substitutes						
		Sylvia Dymond	Simon Tagg	June Walklate		Bert Proctor
		Mike Stubbs	Barry Panter			
			Stephen Sweeney			

Health, Wellbeing & Partnerships Scrutiny	11	5	5	0	0	1
		Ruth Wright	Julie Cooper			Bert Proctor
		Sylvia Burgess	John Cooper			
		Sue Moffat	Ian Wilkes			
		Tony Kearon	Barry Panter			
		Allison Gardner				
Substitutes						
		Sarah Pickup	Jenny Cooper			Ken Owen
		Andrew Fox-Hewitt	Gill Heesom			
			Graham Hutton			
			Andy Fear			

Classification: NULBC UNCLASSIFIED

Economy, Environment & Place Scrutiny	11	4	5	1	1	0
		David Grocott	Jenny Cooper	Marion Reddish	Gary White	
		Amelia Rout	Andy Fear			
		Mark Olszewski	Gill Heesom			
		Dave Jones	John Tagg			
			Barry Panter			
Substitutes						
		Tony Kearon	Andrew Parker	June Walklate	Simon White	
			Ian Wilkes			
			Paul Waring			
			Gill Burnett			

Finance, Assets & Performance SC	11	5	5	0	0	1
		Mike Stubbs	Gill Burnett			Bert Proctor
		Tony Kearon	Andy Fear			
		David Grocott	Graham Hutton			
		Sarah Pickup	Mark Holland			
		Amelia Rout	Paul Waring			
Substitutes						
		Dave Jones	John Cooper			Ken Owen
		Elizabeth Shenton	Barry Panter			
			John Tagg			
			Andrew Parker			

Classification: NULBC UNCLASSIFIED

Appointment of Chairs and Vice-Chairs of Committees (in accordance Council Procedure Rule 2.1)

Members are advised of the following nominations for the positions of Chair and Vice-Chair on each of the Council's Committees. Where there is more than one nomination to any Chair or Vice-Chair role, the Council must vote on which Member to appoint.

COMMITTEE	CHAIR	VICE-CHAIR
Audit & Standards	CLLR SARAH PICKUP CLLR PAUL WARING	CLLR KEN OWEN CLLR SYLVIA DIAMOND
Conservation Advisory	CLLR ALISON GARDNER CLLR JULIE COOPER	CLLR ANNABEL LAWLEY CLLR TREVOR JOHNSON
Employment Committee	PORTFOLIO HOLDER	NO NOMINATION REQUIRED
Licensing & Public Protection	CLLR SIMON WHITE CLLR MARK OLSZEWSKI	CLLR DAVE JONES CLLR GRAHAM HUTTON
Planning	CLLR JOHN WILLIAMS CLLR ANDY FEAR	CLLR MARION REDDISH CLLR GILL WILLIAMS
Health, Wellbeing & Partnerships SC	CLLR SUE MOFFAT CLLR IAN WILKES	CLLR RUTH WRIGHT CLLR JULIE COOPER
Economy, Environment & Place SC	CLLR GARY WHITE CLLR DAVE JONES	CLLR AMELIA ROUT CLLR GILL HEESOM
Finance, Assets & Performance SC	CLLR MIKE STUBBS CLLR MARK HOLLAND	CLLR BERT PROCTOR CLLR SARAH PICKUP

Classification: NULBC UNCLASSIFIED

Appointment of Mayor and Deputy Mayor (in accordance Council Procedure Rule 2.1)

Members are advised of the following nominations for the positions of Mayor and Deputy Mayor. Where there is more than one nomination to either role, the Council must vote on which Member to appoint.

MAYOR AND DEPUTY MAYOR NOMINATIONS	
NOMINATION FOR MAYOR	CLLR JOHN COOPER
NOMINATION FOR DEPUTY MAYOR	CLLR KEN OWEN CLLR ELIZABETH SHENTON

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Council
23 September 2020

Report Title: Changes to the Constitution of the Council

Submitted by: Chief Executive

Portfolios: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: All

Purpose of the Report

To approve recommendations made by the Audit and Standards Committee in respect of changes to the Constitution in two areas; the Financial Regulations/Procedures and Taxi Licensing Delegations.

Recommendation

That Council:-

- 1) approves the recommendations made by the Audit and Standards committee:-**
 - a) on 9 March 2020 in respect of changes to the Financial Regulations and Procedures; and,**
 - b) on 1 May 2020 in respect of the delegation of Taxi Licensing Delegations**
- 2) delegates to the Monitoring Officer authority to make any consequential changes to the Constitution necessary to give effect to or as a result the same, including correcting references to the Section 151 officer where necessary.**

Reasons

For the reasons set out in both of the Audit and Standards Committee Reports Appended hereto

1. Background

- 1.1 As part of the usual process of improving and refining how the Council operates, through the provisions set out in its Constitution, the two areas of improvement were identified and taken through the usual approval processes culminating in the recommendations of the Audit and Standards Committee referred to.
- 1.2 Regrettably, on account of the Covid-19 outbreak and the associated lock-down measures that ensued, it has not been possible until now to complete the usual process by taking the final step of presenting the Audit and Standards Committee's recommendations to Council for approval.

1.3 It is now possible, through this meeting, to ask Council to endorse the recommendations of its Audit and Standards Committee and adopt the two sets of changes set out in the reports attached hereto.

1.4 In addition, there is a need to make an amendment to the constitution to replace references in the Financial Procedures and Processes to “the Executive Director (Resources and Support Services)” with references to “the Section 151 Officer” instead. This is because those functions are ones which should be discharged by the Section 151 Officer. Whilst the Executive Director (Resources and Support Services) is currently the Council’s Section 151 officer that might not always be the case, so it is important that this distinction in the constitution is made where necessary and appropriate. The proposal to make this change was discussed at and endorsed by the Audit and Standards Committee in May.

2. **Issues**

2.1 As set out in the reports appended hereto.

3. **Proposal**

3.1 That Council approves the recommendations made by the Audit and Standards committee on 9 March 2020 in respect of changes to the Financial Regulations and Procedures; and on 1 May 2020 in respect of the delegation of Taxi Licensing Delegations and delegates to the Monitoring Officer authority to make any consequential changes to the Constitution necessary to give effect to or as a result the same, including references to the Section 151 Officer where necessary.

4. **Reasons for Proposed Solution**

4.1 As set out in the reports appended hereto.

5. **Options Considered**

5.1 N/A

6. **Legal and Statutory Implications**

6.1 As set out in the reports appended hereto.

7. **Equality Impact Assessment**

7.1 As set out in the reports appended hereto.

8. **Financial and Resource Implications**

8.1 As set out in the reports appended hereto.

9. **Major Risks**

9.1 As set out in the reports appended hereto.

10. **Sustainability and Climate Change Implications**

10.1 As set out in the reports appended hereto.

11. **Key Decision Information**

11.1 As set out in the reports appended hereto.

12. **Earlier Cabinet/Committee Resolutions**

12.1 As set out in the reports appended hereto.

13. **List of Appendices**

13.1 The Audit & Standards Committee reports referred to.

14. **Background Papers**

14.1 The Audit & Standards Committee reports referred to.

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FINANCIAL REGULATIONS – FEBRUARY 2020 ~~NOVEMBER 2019~~⁸

INTRODUCTION

The Council has a legal responsibility to make proper arrangements for the administration of its financial affairs, and must appoint an employee to undertake that responsibility. The employee so appointed is the Executive Director (Resources and Support Services). In addition, since public money is involved, the Council should be able to demonstrate that Members and Employees are acting with openness, integrity and accountability.

The Financial Regulations of Newcastle under Lyme Borough Council as set out in the following pages are aimed at achieving four main objectives:

- (a) To maintain sound and proper financial records, procedures, and arrangements for the administration of all the Council's financial affairs.
- (b) To demonstrate to the public that proper safeguards and controls exist.
- (c) To assist employees and Members in their delivery of services to the public.
- (d) To safeguard Members and employees by giving them procedures to follow which ensure that the Council's expected standards are met in terms of managing public money and assets. In addition, employees can feel confident that they will have no difficulty in explaining their actions to Auditors, the Cabinet, Committees, Executive Management Team, Service Managers or the public, if they have followed Financial Regulations.

All Members and employees have a personal responsibility for taking reasonable action to provide for the security of the assets under their control, for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value. This should be done whilst acting in accordance with these regulations.

The Executive Director (Resources and Support Services) is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary [to Audit and Standards Committee prior to being submitted](#) to the Council. The Executive Director (Resources and Support Services) is also responsible for reporting, where appropriate, breaches of Financial Regulations to the Cabinet and the Council.

The Council's detailed financial procedures, setting out how the key regulations will be implemented, are shown as procedural regulations.

Directors are responsible for ensuring that all employees in their departments are aware of the existence and content of the Council's Financial Regulations and other internal regulatory documents and that they comply with them. They must also ensure that their staff have access to the Regulations, either via the Council's Intranet or, where appropriate, through the provision of hard copies.

The Financial Regulations have been divided into six areas based on the latest model regulations published by CIPFA. They are:

- Financial Management;
- Financial Planning;
- Risk Management and Control of Resources;
- Financial Systems and Procedures;
- External Arrangements.
- Compliance with the Local Government Transparency Code

For each of these there are key regulations and procedural regulations. Compliance to all is required. The procedural regulations are more detailed describing the actions required to ensure compliance with the key

regulations. The key regulations relating to all five areas are set out first, followed by the procedural regulations relating to them.

Financial regulations and procedures must be capable of a clear "legal" interpretation. They have been written in a formal manner and **it must be remembered that it is the actual regulation and procedure that must be understood and observed.** In an effort to remove some of the complexities, each section is followed by an explanatory note, which conveys the "spirit" of the regulations. It is hoped that readers will find this helpful. **However, the explanatory notes do not form part of the Financial Regulations.** In addition where it is felt that a particular expression used in the regulations requires further definition, this has been provided in a Glossary to be found at the end of the regulations.

If you are in any doubt at all over compliance with a Financial Regulation, please consult the Financial Management Section or Internal Audit.

Any reference in the Council's Financial Regulations to "the Cabinet" shall be deemed also to include any Sub-Committees of the Cabinet which may be given power to determine relevant matters.

Wherever the Council acts in a trustee capacity regarding the affairs of charities and other bodies, these Financial Regulations shall apply.

Reference to approvals may include approval by email in appropriate cases where authorisation has been obtained from the Executive Director (Resources and Support Services). References to "written approval" or "authorisation" by the Executive Director (Resources and Support Services) include approval/authorisation via email.

SUMMARY TABLE SHOWING CONTENTS OF FINANCIAL REGULATIONS AND PROCEDURES AT A GLANCE

<u>Key Reg Ref.</u>	KEY REGULATIONS	RELATED PROCEDURAL REGULATIONS (PR1-PR6)	Proc Reg Ref.
KR1A	FINANCIAL MANAGEMENT includes:		
1.1-1.12 (pgs. 8-9) A1-A12	The Full Council The Cabinet Scrutiny Committees Audit and Standards Committee Other Regulatory Committees	Responsibilities of the Cabinet	1.1 (pg 18)
1.13-1.22 (pgs.9-10) A13-A22	The Statutory role of officers Chief Executive Executive Director (Resources and Support Services) Directors	Responsibilities of the Executive Director (Resources and Support Services) Responsibilities of the Chief Executive and other Directors	1.2 (pg 18) 1.3 (pgs.18-19)
1.23-1.30 (pgs.10-11) A23-A29	Virement Supplementary Estimates Treatment of year end balances Accounting policies Financial records E-commerce and the Internet Final accounts	Virement Supplementary Estimates Financial Records Final Accounts Separation of Duties Grant and Other Claims	1.4 (pgs. 19-20) 1.5 (pgs. 20-21) 1.6 (pg 21) 1.7 (pg 22) 1.8 (pg 22) 1.9 (pgs. 22-23)
KR2B	FINANCIAL PLANNING includes:		
2.1-2.2 (pg 11) B1-B2	Policy framework	Performance plans	2.1 (pg 23)
B3-B12 2.3-2.12 (pgs. 11-13)	Council tax Budget strategy & preparation Budget monitoring & control	General Fund Revenue Budget and Format of the budget Revenue budget, preparation, monitoring and control Trading accounts Other accounts	2.2 (pg 23) 2.3 (pgs.23-25) 2.4 (pgs. 25-26) 2.5 (pg 26)
B13-B15 2.13-2.15 (pgs.12-13)	Project Appraisal		

2.16 (pg 13) B16	Maintenance of reserves	Maintenance of reserves	2.6 (pg 26)
B17 2.17 (pg 13)	Preparation of the capital programme	Capital programme	2.7 (pgs. 26-29)
2.18 (pg13) B18	Guidelines on budget preparation		

KR3C	RISK MANAGEMENT AND CONTROL OF RESOURCES includes:		
3.1-3.3 (pg 13-14)	Risk Management	Risk Management Insurances	3.1 (pg 30) 3.2 (pgs. 30-31)
3.4-3.6 (pg 14)	Internal Control	Internal controls	3.3 (pgs. 31-32)
3.7-3.9 (pg 14)	Audit requirements	Internal Audit External Audit	3.4 (pgs. 32-33) 3.5 (pg 33)
3.10 (pg 14)	Preventing fraud and corruption	Preventing fraud and corruption	3.6 (pgs. 33-34)
3.11 (pg 14)	Assets	Assets Inventories Stocks Intellectual property Asset disposal Minor expenditure	3.7 (pgs. 34-35) 3.8 (pg 35) 3.9 (pgs. 36-37) 3.10 (pg 37) 3.11 (pg 37-38) 3.12 (pg 38)
3.12-3.17 (pgs. 14-15)	Treasury management	Treasury management Banking arrangements	3.13 (pgs.38-39) 3.14 (pg 39-40)
3.18-3.20 (pg 15)	Staffing	Staffing	3.15 (pgs.40-41)
3.21 (pg15)	Gifts and Hospitality		
KR4D	SYSTEMS AND PROCEDURES includes:		
4.1-4.2 (pg 15)	General	General Delegation Information security	4.1 (pg 41) 4.2 (pg 41) 4.3 (pgs. 41-42)

4.3 (pg 16)	Income & Expenditure	Recording & notification of sums due Separation of duties Receipts Money received Payment by credit & debit cards Direct Debit Collection Security Banking Records Issue of Debtors Accounts Recovery procedures Write offs Fees & Charges Changes in sources of Revenue Requisitioning and Ordering of Work, Supplies & Services Contracts Works contracts Completion of contracts Goods and materials contracts General and Variations to contracts Paying for work, supplies & services	4.4 (pg 43) 4.5 (pg 43) 4.6 (pg 43) 4.7 (pg 43) 4.8 (pgs. 43-44) 4.9 (pgs. 44-45) 4.10 (pg 45) 4.11 (pg 45) 4.12 (pg 45) 4.13 (pg 46) 4.14 (pg 46) 4.15 (pg 46) 4.16 (pg 46) 4.17 (pg 47) 4.18 (pgs.48-49) 4.19 (pg 50) 4.20 (pg 50) 4.21 (pg 51) 4.22 (pg 51) 4.23 (pgs.51-52) 4.24 (pgs.52-55)
4.4-4.6 (pg 16) ⁵	Payments to Employees & Members	Payments to Employees & Members Allowances to Members, travelling and subsistence Travelling and subsistence allowances	4.25 (pgs.55-56) 4.26 (pg 56) 4.27 (pg 56)
4.7 (pg 16) ⁶	Taxation	Taxation	4.28 (pg 57)
4.8 (pg 16) ⁷	Trading Accounts	Trading Accounts	4.29 (pg 57)
KR5E	EXTERNAL ARRANGEMENTS: includes		
5.1-5.5 (pg 16)	Partnerships	Partnerships	5.1 (pgs.58-59)
5.6 (pg 16)	External funding	External funding	5.2 (pg 59)
5.7 (pg 16)	Work for third parties	Work for third parties	5.3 (pgs.59-60)

KR6F	COMPLIANCE WITH THE LOCAL GOVERNMENT TRANSPARENCY CODE		
6.1-6.4 (pg 17)	Publication of data	Publication of data	6.1 (pgs.60-61)
KR7	COMMERCIALISATION GOVERNANCE		
7.1 (pg 17)	Commercial Strategy Governance	Commercial Strategy Governance	7.1 (pg 61)

MONETARY AMOUNTS

Ref.		Amount
PR1 1.3.4 (pg18)	Financial management Amount over which the Executive Director (Resources and Support Services) needs to be involved with negotiations and/or agreements/ arrangements	£50,000
PR1 1.4.1- 1.4.3 (pgs 19-20)	Virement <u>Revenue</u> <u>Executive Director of relevant service area limit</u> <u>Directors approval limit-notifiable to the Executive Director (Resources and Support Services)</u> <u>EMT/Portfolio Holder limit</u> <u>Cabinet approval for in excess of limit</u> <u>Council approval in excess of</u> <u>Capital</u> <u>Executive Director of (relevant service area Resources and Support Services) limit</u> <u>EMT/Portfolio Holder limit</u> <u>Cabinet approval for in excess of limit</u> <u>Council approval for in excess of</u>	 £20,000 £50,000 £100,000 £50, £100,000 1m £1m000 £1050,000 £250,000 £250,0002m £2m
PR1 1.5.1 & 1.5.4 (pgs 20-21)	Supplementary Estimates (a) <u>Revenue</u> <u>Executive Director (Resources and Support Services) limit</u> <u>of relevant service area limit</u> <u>EMT/Portfolio Holder limit</u> <u>Cabinet approval in excess of limit</u> <u>Council approval in excess of</u> <u>Capital</u> <u>Executive Director (Resources and Support Services) of relevant service area limit</u> <u>EMT/Portfolio Holder limit</u> <u>Cabinet approval for in excess of limit</u> <u>Council approval for in excess of</u>	 £50,000 £100,000 £250,000 £250,0001m £1050,000 £250,000 £250,0002m £2m
Ae4	Financial management Amount over which the Executive Director (Resources and Support Services) needs to be involved with negotiations and/or agreements/ arrangements	£50,000
KR2 2.12 (pg12)	Variations Significant variations are those which are greater than: All variations must be investigated if in excess of:	The larger of 10% of the budget or £2,000 £15,000
KR2 2.15 (pg13)	Capital Appraisals Estimated cost of capital project above which an appraisal must be carried out	£1020,000
PR3 3.2.1- 3.2.3 (pgs 30-31)	Insurances The minimum level of Product and Public Liability insurance cover as specified by the Cabinet, subject to agreement of the Executive Director (Resources and Support Services) The minimum level of Employers Liability insurance cover as specified by the Cabinet, subject to agreement of the Executive Director (Resources and Support Services)	£5,000,000 £10,000,000

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	The minimum level of Professional indemnity insurance cover (where applicable) as specified by the Cabinet, subject to agreement of the Executive Director (Resources and Support Services)	£2,000,000
PR3 3.8.1 (pg35)	Inventories Level above which items should be included on an inventory	£ 5 1,000
PR3 3.9.6 (pg37)	Stock levels (amounts which may be written off) (b) (a) Executive Director (Resources and Support Services) (e) (b) Cabinet	Below £54,000 Above £54,000
PR3 3.11.1 (pg37)	Asset Disposal Amount above which the residual value of the asset to be written off/disposed of should be written off/disposed of in liaison with the Head of Audit and Elections <u>Head of Finance</u>	£ 500 1,000
PR4 4.11.4 (pg45)	Banking Amount above which money is to be banked without delay	£500
PR4 4.13.1 (pg46)	Records Amount above which schedules of amounts outstanding where a debtors account has not been raised need supplying to the Executive Director (Resources and Support Services)	£500
PR4 4.13.1- 4.13.4 (pg46)	Issue of debtors accounts Amount below which it is considered uneconomic to raise an account	£40
PR4 4.15.1- 4.15.2 (pg 46)	Write offs of Debtors Accounts (a) Approval from the Executive Director (Resources and Support Services) (b) Approval from <u>Portfolio Holder</u> (b) (c) <u>Approval from Cabinet</u>	£5,000 or below <u>Above £5,000 to £10,000</u> <u>Over £10,000</u>
PR4 4.18.18 (pg48)	Ordering of work, supplies and services (a) Low value procurement: Where alternative prices are available for the level of estimated cost and a minimum of two written quotations is required; (b) Intermediate value procurement: Where alternative prices are available for the level of estimated cost and a minimum of three written quotations is required. (c) High value procurement: The estimated cost above which Financial Regulations and Contract Procedural Rules shall apply.	£5,000 <>£30,000 £30,000 <> £50,000 > £50,000
PR4 4.18.22 (pg49)	The amount above which Contract Procedural Rules and Financial Regulations in relation to contracts applies to orders of a repetitive nature when totalled	£50,000
PR4 4.24.12 (pg 53)	Paying for work, supplies and services. Amount above which schedules of accounts need supplying to the Executive Director (Resources and Support Services)	£1,0500

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KEY REGULATIONS**KR1A: FINANCIAL MANAGEMENT**

- 1.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the policy framework and budget.
- [1.2A2](#) All employees and Members have a duty to abide by the highest standards of probity in dealing with financial issues, to be aware of and comply with these Financial Regulations.
- [1.3A3](#) **DEPARTURES:** In the event of it being impracticable to apply any of these Regulations in any particular case the Executive Director (Resources and Support Services) shall be authorised to waive compliance subject to reporting any major departure to the next meeting of the Cabinet.

The Full Council

- [1.4A4](#) The Full Council shall be responsible for:
- Adopting the Council's constitution and Members' code of conduct and for approving the policy framework and budget within which the Cabinet operates. It shall also be responsible for approving and monitoring compliance with the Council's overall framework of accountability and control in the form of contract procedural rules and financial regulations and for monitoring compliance with the agreed policy and related Cabinet decisions;
 - Approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the Constitution.

The Cabinet

- [1.5A5](#) The Cabinet shall be responsible for proposing the policy framework and budget to the Full Council, and for discharging executive functions in accordance with the policy framework and budget.
- [1.6A6](#) Cabinet decisions can be delegated to a committee of the Cabinet, an individual Cabinet Member, an employee or a joint committee.
- [1.7A7](#) The Cabinet has the authority:
- to consider all financial matters which are of an executive nature or not reserved by law to Full Council;
 - to investigate any aspect of income and expenditure relating to all departments of the Council, and to call for the production of all relevant documentation necessary for such an investigation;
 - after a full investigation to make such recommendations to the Full Council as it considers necessary, with a view to securing greater economy in the administration of the services controlled by the Council and on financial matters generally.
 - To determine any matter, which is an executive function or not reserved by law to Full Council.
- [1.8A8](#) The Cabinet shall:
- be responsible for establishing protocols to ensure that individual Members of Cabinet consult with relevant employees before taking a decision within their delegated authority. In doing so, the individual Member must take account of legal and financial liabilities and risk management issues that may arise from the decision.

Scrutiny Committees

- [1.9A9](#) The Scrutiny Committees shall be responsible for scrutinising Cabinet decisions before or after they have been implemented and for holding the Cabinet to account. The Scrutiny Committees shall also be responsible for making recommendations on future policy options and for reviewing the general policy and service delivery of the Council.

Audit and Standards Committee

[1.10A10](#) The Audit and Standards Committee shall be responsible for promoting and maintaining high standards of conduct amongst Members. In particular, it is responsible for advising the Council on the adoption and revision of the Members' Code of Conduct, and for monitoring the operation of the code.

[1.11A11](#) The Audit and Standards Committee shall have right of access to all the information it considers necessary and can consult directly with internal and external auditors. It shall be responsible for reviewing the external auditor's reports and the annual audit letter and internal audit's annual report and for approving and reviewing the internal audit plan. It shall also receive and approve the Council's Statement of Accounts and receive risk management reports and ensure that corporate business risks are being actively managed. [The Audit and Standards Committee shall also receive any proposed amendments to the Council's Financial Regulations prior to these being approved by Full Council.](#)

Other regulatory committees

[1.12A12](#) Planning, Licensing, Public Protection and other regulatory functions are not Cabinet functions but are exercised through the Planning, Licensing, Public Protection and other regulatory committees under powers delegated by the Full Council. These committees report to the Full Council.

The statutory role of officers

Chief Executive

[1.13A13](#) The Chief Executive shall be designated as The Head of Paid Service and shall be responsible for the corporate and overall strategic management of the Council as a whole. ~~He-They~~ shall report to and provide information for the Cabinet, the Full Council, the Scrutiny Committees and any other committees. They shall be responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the Council. ~~They-He~~ shall also be responsible for the system of record keeping in relation to the Full Council's decisions (see below).

[1.14A14](#) The Chief Executive must ensure that Cabinet decisions and the reasons for them are made public. They must also ensure that Council Members are aware of decisions made by the Cabinet and of those made by employees who have delegated executive responsibility.

Executive Director (Resources and Support Services)

[1.15A15](#) The Executive Director (Resources and Support Services) is responsible for advising the Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

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

[1.16A16](#) The Executive Director (Resources and Support Services) shall, in carrying out ~~their~~his functions, have regard to ~~their~~his statutory duties (which cannot be over-ridden) in relation to the financial administration and stewardship of the Council arising from:

- (a) Section 151 of the Local Government Act 1972;
- (b) The Local Government Finance Act 1972;
- (c) The Local Government Act 2003;
- (d) The Accounts and Audit (England) Regulations 2015 or any successor legislation.

[1.17A17](#) The Executive Director (Resources and Support Services) shall be responsible for:

- (a) the proper administration of the Council's financial affairs;
- (b) setting and monitoring compliance with financial management standards;
- (c) advising on the corporate financial position and on the key financial controls necessary to secure sound financial management;
- (d) preparing the revenue budget and capital programme;
- (e) treasury management.

[1.18A18](#) The Executive Director (Resources and Support Services), in accordance with Section 114 of the Local Government Finance Act 1988, shall report to the Full Council, Cabinet and external auditor if the Council or one of its employees:

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

[1.19A19](#) The Executive Director (Resources and Support Services) shall nominate a properly qualified Member of staff to deputise should ~~they~~he be unable to perform ~~their~~his duties under Section 114 personally [with the first choice being the Head of Finance](#).

[1.20A20](#) The Council shall provide the Executive Director (Resources and Support Services) with sufficient employees, accommodation and other resources, including legal advice where this is necessary, to carry out their duties under Section 114.

Monitoring Officer

[1.21A21](#) The Monitoring Officer shall be responsible for:

- (a) reporting any actual or potential breaches of the law or maladministration to the Full Council and/or to the Cabinet and for ensuring that procedures for recording and reporting key decisions are operating effectively;
- (b) advising all Members and employees about who has authority to take a particular decision;
- (c) advising the Cabinet or Full Council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework; and
- (d) maintaining an up-to-date constitution.

Directors

[1.22A22](#) Directors and their delegated representatives shall be responsible for:

- (a) Ensuring that Cabinet Members are advised of the financial implications of all proposals and that the Executive Director (Resources and Support Services) has agreed the financial implications;
- (b) Consulting with the Executive Director (Resources and Support Services) and seeking approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.

Virement

[1.23A23](#) The Full Council shall determine the limits, above which a Director may not approve virement without reference to the Full Council. The limits may be set by reference to an absolute amount or to a specified percentage of a budget head. Any virement between budget ~~heads should only be made in order to cover any unavoidable overspendings elsewhere and~~ must be notified to and agreed **in advance** with the Executive Director (Resources and Support Services).

Supplementary Estimates

[1.24](#) [Where services wish to undertake an activity not originally identified in the budget or incur additional revenue expenditure on an existing activity where this is fully funded \(for example through additional specific grant allocations\), approval must be sought for a supplementary estimate in accordance with Section Ae below.](#)

Treatment of year-end balances

[1.25A24](#) Carry forward to the following financial year of under or overspendings on budget headings shall only be permitted with the prior approval of the Executive Director (Resources and Support Services).

Accounting policies

[1.26A25](#) The Council will comply, in all cases, with the Accounts and Audit (England) Regulations 2015 and any other Regulations, Accounting Codes of Practice or external audit requirements that may replace or supplement them.

[1.27A26](#) The Executive Director (Resources and Support Services) shall be responsible for selecting accounting policies and ensuring that they are applied consistently. Directors shall adhere to the accounting policies and guidelines approved by the Executive Director (Resources and Support Services).

Financial records

[1.28A27](#) The Executive Director (Resources and Support Services), in consultation with Directors, shall determine all accounting procedures and the form and content of all of the Council's financial records, both manual and computerised. No introductions or amendments shall be made without their approval.

E-Commerce and the Internet

[1.29A28](#) The Council is committed to maximise the benefits available from the introduction of e-commerce and the use of the Internet. Therefore all reference to documents and procedures for their use should be taken to allow for the use of electronic facilities instead of printed matter where appropriate and where approval has been given by the Executive Director (Resources and Support Services) in advance.

Final Accounts

[1.30A29](#) The Executive Director (Resources and Support Services) shall prepare and publish an annual statement of accounts, in accordance with the relevant code of practice currently in force and in accordance with the statutory timetable. The Audit and Standards Committee shall approve the statement of accounts and consider the external auditor's "audit findings" report submitted to it in accordance with International Standard on Auditing 260.

KR2B: FINANCIAL PLANNING

Policy framework

[2.1B4](#) The Full Council shall:

- (a) Agree and approve the Council's policy framework and budget, the key elements of which will be the Council Plan, Sustainable Community Strategy, General Fund Revenue Budget and the Capital Programme;
- (b) Approve variations to approved budgets, where those variations increase the overall amount of the budget or are contrary to the approved policy framework;
- (c) Approve variations to plans and strategies forming the policy framework;
- (d) Determine the circumstances in which a decision will be deemed contrary to the budget or policy framework;
- (e) Set the level at which Directors may reallocate budget funds from one service to another. Directors shall be responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the limits set by the Full Council.

[2.2B2](#) The Chief Executive is responsible for proposing a Council Plan to the Cabinet and scrutiny before its submission to the Full Council for approval.

Council Tax

[2.3B3](#) The Cabinet shall recommend, and the Full Council approve, the Council Tax to be set by the Council.

Budget strategy and preparation

[2.4B4](#) The Executive Director (Resources and Support Services) shall ensure, in relation to the General Fund, that a Revenue Budget is prepared on an annual basis, together with a Medium Term Financial Strategy covering a minimum of five years beyond the current year, for submission to the Cabinet for approval. The Cabinet will recommend the budget to Full Council for approval.

[2.5B5](#) The Cabinet shall, no later than the end of October each year, consider and agree the strategy to be followed in the preparation of the General Fund Revenue Budget and the Capital Programme, in particular, for the following year, but also generally for a number of years (the budget strategy). In order to achieve this it will:

- (a) Review the current capital and revenue service programmes and expenditure, taking into account the Council's corporate priorities and approved policies; partnership working, consultation with and the needs of the community;
- (b) Analyse gaps in service provision and evaluate and prioritise all new initiatives and statutory duties requiring resources;
- (c) Assess the capital and revenue resources available to the Council;
- (d) Seek to match the resources in (c) to the priorities in (a) and (b).

2.6B6 The Cabinet ~~will~~ shall have regard to the following factors when considering and agreeing the budget strategy in respect of its review of current programmes:

- (a) Information contained in the current budget book supported by supplementary notes and supporting information; the Council's Sustainable Community Strategy, policies and business plans; the results of any best value service reviews; the latest reports on all areas of partnership working and the results of consultation with the community, businesses and other partners; including an analysis of needs and gaps;
- (b) In the evaluation and prioritisation of new initiatives and statutory duties whether mandatory or discretionary; the level of support for each of the Council's key priorities; the capital and revenue implications; involvement of partners and the implications if not carried out;
- (c) In respect of its assessment of available resources: the latest information concerning available capital and revenue resources in the light of the previous year's out-turn and assumptions for the following years;
- (d) In respect of the matching of resources to priorities: new initiatives are to be weighed and prioritised both against each other and against current programmes and services.

2.7B7 The Executive Director (Resources and Support Services) shall advise the Cabinet and Full Council on the robustness of the revenue budget and provide all necessary information to the Cabinet to enable it to carry out the process of consideration and agreement of the budget strategy.

2.8B8 Following agreement of the budget strategy by the Cabinet, it shall be referred to the Finance, Resources and Partnerships Scrutiny Committee for their consideration and the results of such scrutiny shall be reported back to the Cabinet, which shall reconsider the strategy in the light of any comments made.

2.9B9 The Cabinet shall issue guidance on the general content of the General Fund Revenue Budget and, following advice from the Executive Director (Resources and Support Services), on any assumptions to be made or particular factors to be taken into account in its preparation.

2.10B10 Directors shall

- (a) Assist the Executive Director (Resources and Support Services) in presenting the budget strategy to Cabinet by providing them with any supporting information or data required to enable them to adequately report to the Cabinet;
- (b) Where required by the Executive Director (Resources and Support Services), prepare budget estimates reflecting agreed service plans in line with guidance issued by the Cabinet. These estimates shall be based on the assumptions contained in the relevant Medium Term Financial Strategy approved by the Cabinet. Otherwise, Directors shall provide them with sufficient information to enable the Medium Term Financial Strategy to be updated to reflect changes affecting the budgets of services under their control, for example in respect of new pressures or unusual or unexpected price changes. The service budgets shall be aggregated and summarised by the Executive Director (Resources and Support Services) and submitted by them, in that form, to the Cabinet for approval. At the same time he will recommend proposed taxation levels and the other means of financing the proposed budget, including any contributions from reserves; and
- (c) Prepare Service Plans to feed into the financial information collated by the Chief Executive in the format approved by them.

Budget monitoring and control

2.11B11 The Executive Director (Resources and Support Services) shall provide appropriate financial information to enable Directors to monitor budgets effectively. He, assisted by Directors as set out in the Regulation below, shall monitor and control expenditure and income against budget allocations and report to the Cabinet on the overall position on a regular basis.

2.12B12 Directors shall control expenditure and income within their areas of responsibility, taking account of financial information provided by the Executive Director (Resources and Support Services). They shall report on

variances within these areas and take any action necessary to avoid exceeding their budget allocation and alert the Executive Director (Resources and Support Services) to any problems of which they become aware. They shall provide the Executive Director (Resources and Support Services) with any information that they may require in order that they may report to the Cabinet upon expenditure or income compared to budget.

2.13B13 If a project (either of a capital or revenue nature) is proposed, for which no current provision exists in the budget, the benefits arising from the project will be identified as part of the initial proposal for the project, the business case will then be made and – in the case of approval – the project lead will be expected to monitor the realisation of the ensuing benefits.

2.14B14 If a capital project is proposed, it ~~will~~ shall be subject to an appraisal. The appraisal shall be in a form approved by the ~~Cabinet~~ Executive Director (Resources and Support Services) but such an appraisal shall, as a minimum, set out the project's contribution towards meeting corporate objectives and service priorities, its output measures and milestones, and its cost and sources of funding. The results of this appraisal ~~will~~ shall be included in any report made to the Cabinet or Council requesting approval to carry out the scheme. Upon completion of the project, a report shall be made to the Cabinet detailing the actual performance compared with the data contained in the original appraisal.

2.15B15 The requirement to set out a business case which includes the expected benefits from the project or to submit capital projects to appraisal will apply in cases where the proposed cost exceeds the sum specified in the table of "Monetary Amounts". The Executive Director (Resources and Support Services) may waive the requirement in cases where they considers this to be appropriate.

Maintenance of reserves

2.16B16 The Executive Director (Resources and Support Services) shall carry out an annual assessment of the Council's financial risks and advise the Full Council and the Cabinet on prudent levels of reserves for the Council.

Preparation of the capital programme

2.17B17 The Executive Director (Resources and Support Services) shall prepare a Capital Programme on an annual basis for consideration and approval by the Cabinet and the Full Council. They shall also update the Programme on a regular basis during each year and report thereon to the Cabinet. In considering the total amount of the capital programme the Cabinet and the Full Council shall have regard to the resources available or expected to be available, to the Council to finance such a programme over the period covered by it, including the revenue consequences of the programme. The Executive Director (Resources and Support Services) shall report to the Cabinet and the Full Council at the time that the programme is considered upon the availability of such resources.

Guidelines

2.18B18 Guidelines on budget preparation are issued to Members and Directors by the Cabinet following agreement with the Executive Director (Resources and Support Services). The guidelines will be determined through the approval by the Cabinet of the Medium Term Financial Strategy and the assumptions contained therein and will take account of:

- Legal requirements
- Pay and price increases
- Income projections
- Medium long term planning prospects
- The Council Plan
- Available resources
- Risk factors
- Spending pressures
- Relevant government guidelines
- Other internal policy documents
- Cross cutting issues (where relevant).

KR3: RISK MANAGEMENT AND CONTROL OF RESOURCES

Introduction

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

Risk management

- 3.2 The Audit and Standards Committee shall be responsible for approving the Council's risk management strategy and for reviewing the effectiveness of risk management. The Cabinet shall be responsible for ensuring that proper insurance exists where appropriate.
- 3.3 The Chief Executive shall be responsible for preparing the Council's Risk Management Strategy, for promoting the management of risk throughout the Council and for advising the Cabinet on proper insurance cover where appropriate.

Internal control

- 3.4 Internal control refers to the systems of control devised by management to help ensure the Council's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the Council's assets and interests are safeguarded.
- 3.5 The Executive Director (Resources and Support Services), in conjunction with the ~~Chief Internal Auditor~~ Head of Audit and Elections, shall be responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.
- 3.6 Directors shall establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

Audit requirements

- 3.7 The Accounts and Audit (England) Regulations 2015 require every Council to undertake an adequate and effective internal audit of its accounting records and of its system of internal control.
- 3.8 Full Council is responsible for appointing the Council's external auditors. This responsibility may be delegated (e.g. Public Sector Audit Appointments acting on behalf of the Council). The basic duties of the external auditor are governed by the Local Audit and Accountability Act 2014.
- 3.9 The Council may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Preventing fraud and corruption

- 3.10 The Head of ~~Finance~~ Finance & Audit and Elections shall be responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

Assets

- 3.11 Directors shall ensure that records and assets are properly maintained and securely held. They shall ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Treasury Management

- 3.12 The Council adopts the clauses contained in CIPFA's "Treasury Management in the Public Services: Code of Practice" (the Code), as described in Section 5 of that Code. Accordingly, it will create and maintain, as the cornerstones for effective treasury management:

- (a) A Treasury Management Policy Statement, stating the policies, objectives and approach to risk management of its treasury management activities;
- (b) Suitable Treasury Management Practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- The content of the Policy Statement and the TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of the Council. Such amendments will not result in the Council materially deviating from the Code's key principles.
- 3.13 The Cabinet shall be responsible for the implementation of the Council's treasury management policies and practices.
- 3.14 The Audit and Standards Committee shall be responsible for the regular monitoring of the Council's treasury management policies and practices and shall receive a mid-year review of treasury management activities and the annual report prior to its submission to Full Council.
- 3.15 The Executive Director (Resources and Support Services) shall be responsible for the execution and administration of treasury management decisions. They shall act in accordance with the Council's Policy Statement and TMPs and if ~~they are~~ is a CIPFA Member, CIPFA's "Standard of Professional Practice on Treasury Management". ~~They~~ may, in connection with leasing, share the responsibility with the relevant Director.
- 3.16 The Full Council shall receive reports on treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year and an annual report after its close, in the form prescribed in the TMPs.
- 3.17 The Executive Director (Resources and Support Services) shall control all money in the hands of the Council and all investments of money and borrowings under its control shall be made in the name of the Council.

Staffing

- 3.18 The Full Council shall be responsible for determining how employee support for executive and non-executive roles within the Council will be organised.
- 3.19 The Chief Executive shall be responsible for determining the structure of services and for providing overall management to employees. They shall also be responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- 3.20 Directors shall be responsible for controlling total employee numbers by:
- (a) Ensuring that an approved post exists (by reference to the establishment list) and that budget provision has been made to cover the cost of filling the post for the period contemplated before commencing the recruitment process.
- (b) Advising the Cabinet on the budget necessary in any given year to cover estimated staffing levels
- (c) Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs
- (d) The proper use of appointment procedures.
- 3.21 Authorisation from the Executive Director (Resources and Support Services) is required for settlements, pension strain, payments made in accordance with the Mutually Agreed Resignation Scheme and gratuities.

Gifts and Hospitality

- 3.21 Every employee has a personal responsibility to be aware of and comply with the Council's Official Gifts and Hospitality Policy.

KR4: SYSTEMS AND PROCEDURES

General

- 4.1 The Executive Director (Resources and Support Services) shall:

- (a) be responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. The Executive Director (Resources and Support Services) must approve any changes made by Directors to the existing financial systems or the establishment of new systems;
- (b) agree any changes to agreed procedures by Directors to meet their own specific service needs.

4.2 Directors shall:

- (a) ensure that their employees receive relevant financial training that has been approved by the Executive Director (Resources and Support Services);
- (b) ensure that information is held securely and in accordance with the council's information security policies and that systems are registered in accordance with the General Data Protection Regulations (GDPR);
- (c) ensure that employees are aware of their responsibilities under Freedom of Information and GDPR;
- (d) be responsible for the proper operation of financial processes in their own departments.

Income and Expenditure

- 4.3 Directors shall ensure that a proper and documented scheme of delegation has been established within their area and is operating effectively. The scheme of delegation should identify employees authorised to act on the Director's behalf, or on behalf of the Cabinet, in respect of payments, income collection and placing orders, together with the limits of their authority. The Cabinet is responsible for approving procedures for writing off debts as part of the overall ~~control~~-framework of accountability and control.

Payments to Employees and Members

- 4.4 The Head of ~~Finance Human Resources~~ shall be responsible for all payments of salaries and wages to all employees, including payments for overtime. ~~The Head of Legal and Governance is responsible and for the~~ payment of basic and special responsibility allowances to Members.
- 4.5 The Head of ~~Legal and Governance~~~~Human Resources~~ shall be responsible for all payments of claimable allowances to Members.
- 4.6 ~~The Chief Executive and Democratic Elections Manager are responsible for all payments to staff employed for elections.~~

Taxation

- 4.7~~6~~ The Executive Director (Resources and Support Services) shall be responsible for advising Directors, on all taxation issues that affect the Council. Such advice shall be given in the light of guidance issued by appropriate bodies and relevant legislation as it applies. Responsibility for the maintenance of tax records, authorising tax payments, calculating tax credits due and the submission of tax returns by their due date shall be on the same basis.

Trading Accounts and Wholly Owned Companies

- 4.8~~7~~ The Executive Director (Resources and Support Services) shall be responsible for advising on the establishment and operation of trading accounts and wholly owned companies.

KR5: EXTERNAL ARRANGEMENTS

Partnerships

- 5.1 The Cabinet:
- (a) Shall be responsible for approving delegations, including frameworks for partnerships;
 - (b) Shall be the focus for forming partnerships with other public, private, voluntary and community sector organisations to address local needs;
 - (c) May delegate their functions – including those relating to partnerships – to employees. These are set out in the scheme of delegation that forms part of the authority's constitution. Where functions are delegated, the Cabinet remains accountable for them.

- 5.2 Where a delegation is made the Chief Executive or employee nominated by them shall represent the Council on partnership and external bodies, in accordance with the scheme of delegation.
- 5.3 The Chief Executive shall be responsible for promoting and maintaining the same high standards of conduct in partnerships that apply throughout the Council.
- 5.4 The Executive Director (Resources and Support Services) shall ensure that the:
- (a) Accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory;
 - (b) Overall corporate governance arrangements and legal issues are considered when arranging contracts with external bodies and if necessary, referred to the Chief Executive.
 - (c) Risks have been fully appraised before agreements are entered into with external bodies.
- 5.5 Directors shall be responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External funding

- 5.6 The Executive Director (Resources and Support Services) shall be responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

Work for third parties

- 5.7 The Cabinet shall be responsible for approving the contractual arrangements for any work for third parties or external bodies.

KR6: COMPLIANCE WITH THE LOCAL GOVERNMENT TRANSPARENCY CODE

- 6.1 The Council will comply with the Local Government Transparency Code 2015 and all subsequent versions of the Code.
- 6.2 Data required by the Code to be published will be published in as complete a form as practicable and within the timescales set out in the Code.
- 6.3 The Executive Director (Resources and Support Services) will be responsible for co-ordinating the publication of the data required by the Code and for monitoring compliance with the Code.
- 6.4 Directors will be responsible for ensuring that data in relation to services under their control is published.

KR7: COMMERCIALISATION GOVERNANCE

- 7.1 Commercial investment decisions linked with the Revolving Investment Fund and Investment Strategy will be taken by full Cabinet in order to achieve the following strategic outcomes:-
- (a) To generate income through commercial activity that can be reinvested in local priorities, services and improvements for ~~our~~ borough residents.
 - (b) To build strong working relationships with public, private and third sector partners in order to maximise collaboration and generate efficiencies.
 - (c) To embed a commercial culture within the council and ensure that ~~our~~ Council staff are equipped with the skills they need to operate in a more commercial environment.
 - (d) To support the council in delivering the council plan and growth agenda as a key pillar of the medium term financial strategy and ~~our~~ goal of financial self-sufficiency.
 - (e) To optimise the council's use of technology and support ~~our~~ the digital agenda in order to enable new, more efficient and flexible ways of working and interacting with customers and residents.
- 7.2 Some changes may be required to the Council's Constitution to enable timely decision making as commercial opportunities present themselves.

PROCEDURAL REGULATIONS

PR1: FINANCIAL MANAGEMENT

1.1 Responsibilities of the Council

- 1.1.1 The Full Council shall:
- (a) approve and publish Financial Regulations governing the conduct of the Council's financial affairs. The regulations shall be reviewed and amended as necessary;
 - (b) have regard to the observance of the Council's Financial Regulations and Contract Procedural Rules throughout all Services under its control.

1.2 Responsibilities of the Executive Director (Resources and Support Services)

- 1.2.1 The Executive Director (Resources and Support Services) shall:
- (a) ensure the proper administration of the financial affairs of the Council (s151);
 - (b) set the financial management standards and monitor compliance with them;
 - (c) ensure proper professional practices are adhered to and act as head of profession in relation to the standards, performance and development of finance employees throughout the Council;
 - (d) advise on the key strategic controls necessary to secure sound financial management;
 - (e) ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

1.3 Responsibilities of the Chief Executive and other Directors

- 1.3.1 Where responsibilities are attributed to the Executive Director (Resources and Support Services), ultimate authority rests with the Chief Executive, except with regard to the discharge of the responsibilities of the Executive Director (Resources and Support Services) under section 151 of the Local Government Act 1972 and section 114 of the Local Government Act 1988.
- 1.3.2 Every Director shall:
- (a) be responsible for the accountability and control of employees and the security, custody and control of all other resources including plant, buildings, materials, cash and stocks appertaining to their service;
 - (b) ensure that every employee under their control or person acting on the Council's behalf, shall be made aware of the contents of these regulations;
 - (c) promote the financial management standards set by the Executive Director (Resources and Support Services) in their services and monitor adherence to the standards and practices, liaising as necessary with the Executive Director (Resources and Support Services);
 - (d) promote sound financial practices in relation to the standards, performance and development of employees in their departments;

(e) provide on an annual basis written assurance as to the soundness of the systems of internal control they are responsible for.

1.3.3 All reports shall contain reference to any financial implications, which the item reported upon may have for the Council. This shall include whether the item is provided for in an approved budget, the proposed amount, any significant revenue consequences in future years, and the financing of any expenditure. The Executive Director (Resources and Support Services) shall approve the wording of all such references.

1.3.4 The Executive Director (Resources and Support Services) shall be consulted in all cases where an agreement or other arrangement, **in excess of the monetary amount as specified in these regulations**, with external third parties is contemplated which may have financial implications for the Council. Such consultations shall take place before such an agreement or other arrangement, is placed before the Full Council or Cabinet for its consideration, and in all cases before such an agreement or other arrangement, is formally entered into. Wherever they considers it appropriate, the Executive Director (Resources and Support Services) shall take part in any negotiations or discussions concerning such an agreement or other arrangement.

Explanatory Notes

Financial management standards need to be promoted through the Council and a monitoring system needs to be in place to review compliance with them. Regular comparisons of performance indicators and benchmark standards are reported to the Cabinet and the Full Council.

The Cabinet is responsible for all decisions made within the budget set by Full Council.

The Cabinet has delegated some of its financial responsibilities to the Executive Director (Resources and Support Services). It does however retain ultimate authority, and may at any time choose to exercise it. The Executive Director (Resources and Support Services) may, in appropriate cases refer items back to the Cabinet for its consideration.

The law requires that there must be a designated employee legally responsible for the Council's financial affairs, the Section 151 officer. The Council has therefore designated the Executive Director (Resources and Support Services) as the legally responsible employee.

Financial Regulations will be drawn up by the Executive Director (Resources and Support Services) and submitted these to the Audit and Standards Committee prior to being approved by the Full Council to provide the framework and lay down the ground rules for the conduct of the Council's financial affairs. These Regulations will be regularly reviewed and revised to keep them up to date.

All of the following must enforce and comply with Financial Regulations: the Cabinet, Directors, Council Employees, and any other person or body acting on the Council's behalf - e.g. a contractor where services have been contracted out, secondments from other authorities or agency workers recruited to assist in the provision of a Council service.

The financial implications of any reports submitted to the Cabinet must always be outlined in the text and agreed with the Executive Director (Resources and Support Services) in advance. All reports to be considered for inclusion in agendas must be signed off by the Executive Director (Resources and Support Services) or Head of Finance to evidence that their financial content has been approved by them. If this is not done, the report will not be placed on the agenda by the Committee Section.

The Executive Director (Resources and Support Services) should must be involved in discussions, negotiations and/or arrangements with third parties where there are to be financial implications in excess of the approved monetary amount.

Financial Regulations apply to employees and Members dealing with the affairs of charities and other organisations, e.g. United Charities, etc.

1.4 Virement

1.4.1 Virement to meet an estimate variation shall not be permitted:

- (a) where the amount of the estimate variation to be met from virement exceeds the limit which has been determined by Full Council, in accordance with Financial Regulation A23, unless it has been referred to the Cabinet, or back to the Full Council if it exceeds the limits for the Cabinet;
- (b) where the budget head or heads from which virement is proposed to be made relate to any of the following centrally controlled estimates, unless it has been referred to the Executive Director (Resources and Support Services) [as S151 Officer](#), who shall determine whether the proposal may be dealt with in accordance with relevant Financial Regulations or whether it shall be referred to the Full Council:
 - i Capital Financing Charges;
 - ii Central Support Services recharges;
 - iii Contributions to reserves or provisions;
 - iv Any other budget head specified by the Executive Director (Resources and Support Services) or the Cabinet;
- (c) where the saving on a budget head or heads from which virement is proposed to be made should, in the opinion of the Executive Director (Resources and Support Services), be treated as a Corporate saving;
- (d) where the Cabinet or Full Council has already turned down the project in principle.

1.4.2 Where during the course of the financial year, it is proposed to incur new or additional expenditure or to reduce income in respect of an item not provided for, or insufficiently provided for, within an approved budget, virement should be the first option which should be considered to deal with the resulting budget variation.

1.4.3 [Approval Limits for virements are as follows:](#)

Revenue Virements:

<u>Virement Amount</u>	<u>Approval Level</u>
Up to and including £50,000	Executive Director for relevant Service area
In excess of £50,000 and up to and including £100,000	EMT/Portfolio Holder Approval required
Over £100,000	Cabinet

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Capital Virements:

<u>Virement Amount</u>	<u>Approval Level</u>
Up to and including £50,000	Executive Director for relevant Service area
In excess of £50,000 and up to and including £250,000	EMT/Portfolio Holder Approval required
Over £250,000	Cabinet

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Explanatory Notes

Virement is administered by the Executive Director (Resources and Support Services) within the guidelines set by the Full Council; any variation from this requires Full Council approval.

The overall budget is set by the Cabinet and approved at Full Council. Directors are authorised to incur expenditure in accordance with the approved estimates. These procedures cover virement – the switching of resources between approved estimates or heads of expenditure.

A budget head is considered to be a line in the approved budget.

Virement does not create additional overall budget liability. Directors are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Directors must plan to fund such commitments from within their own budgets.

1.5 Supplementary Estimates**Supplementary Revenue Estimates**

1.5.1 Approval limits for supplementary revenue estimates are as follows:

Supplementary Estimate Amount	Approval Level
<u>Up to and including £50,000</u>	<u>Executive Director for relevant Service area</u>
<u>In excess of £50,000 and up to and including £100,000</u>	<u>EMT/Portfolio Holder Approval required</u>
<u>Over £100,000 to £1m</u>	<u>Cabinet</u>
<u>Over £1m</u>	<u>Council</u>

1.5.2 In respect of additional specific grant allocations, the S151 Officer Executive Director (Resources and Support Services) must be consulted to ensure that the funding identified can be legitimately linked to the expenditure in question.

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1.5.3 Supplementary revenue estimates that are to be funded wholly or in part from general reserves must be approved by Council regardless of Value.

Supplementary Capital Estimates

1.5.4 Approval limits for supplementary capital estimates are as follows:

Supplementary Estimate Amount	Approval Level
<u>Up to and including £5100,000</u>	<u>Executive Director for relevant Service area (Resources and Support Services)</u>
<u>In excess of £1050,000 and up to and including £250,000</u>	<u>EMT/Portfolio Holder Approval required</u>
<u>Over £250,000 to £2m</u>	<u>Cabinet</u>
<u>Over £2m</u>	<u>Council</u>

1.5.5 Capital budget increases funded wholly or in part from additional Council resources such as capital reserves, borrowing and capital receipts, regardless of Value, must be approved by Council.

1.5.6 Council approval is required where there are significant revenue implications for future year's budgets.

1.6 Financial Records

1.6.1 The Executive Director (Resources and Support Services) shall be consulted before the introduction of, or amendment to, any books, forms, records, administrative procedures or computerised systems used in connection with accounting for cash, income, expenditure, stocks and financial transactions generally. No such introductions or amendments shall be made without their approval.

1.6.2 All of the Council's transactions, material commitments and contracts and other essential accounting information shall be recorded completely, accurately and promptly. Directors must maintain adequate records to provide a management trail leading from the source of expenditure/income through to the accounting statements.

1.6.3 All financial records must be kept securely, and shall be retained for periods specified by the Executive Director (Resources and Support Services) as per the Council's policy on the retention of records. Arrangements for the disposal of any obsolete or surplus records, including unused items, shall be agreed with the Executive Director (Resources and Support Services). Disposal of confidential waste must be made in compliance with the Council's Information Security Management Policy.

- 1.6.4 The Executive Director (Resources and Support Services) shall keep a Cash Book or Account recording, in summary form, all receipts and payments of the Council. The Cash Book or Account shall be kept up to date and be reconciled promptly to the Council's bank accounts following the end of each calendar month.
- 1.6.5 Records should be in electronic form where appropriate and approved by the Executive Director (Resources and Support Services).

Explanatory Notes

All executive Members, finance employees and budget managers must operate within the required accounting standards and timetables

All of the Council's transactions, material commitments and contracts and other essential accounting information must be recorded completely, accurately and on a timely basis

Procedures are in place to enable accounting records to be reconstituted in the event of systems failure.

Reconciliation procedures are carried out to ensure transactions are correctly recorded.

Prime documents are retained in accordance with legislative and other requirements. A list of documents and the periods they must be kept for is available on the Intranet or from Internal Audit.

1.7 Final Accounts

- 1.7.1 The Executive Director (Resources and Support Services) shall in accordance with the Accounts and Audit (England) Regulations 2015 or any successor legislation:
- prepare Final Accounts to summarise the financial transactions of the Council during each year of account and to show the financial position of the Council at the end of each year of account. Each year of account shall commence on the first of April and end on the thirty first of March;
 - make proper arrangements for the audit of the Council's accounts.
- 1.7.2 Directors shall supply the Executive Director (Resources and Support Services) with any information that he requires in order to produce the Council's Final Accounts and Statement of Accounts and to respond to any queries raised by auditors. Such information shall be supplied in the form requested by the Executive Director (Resources and Support Services) and by the date specified by them.

Explanatory Notes

The Executive Director (Resources and Support Services) must prepare annual accounts to show the expenditure and income and balances in relation to the Council for the year. A summary of the accounts, in the form of a "Statement of Accounts", must be prepared and audited and then published by a prescribed deadline (currently 30 September).

The final accounts and the statement of accounts must be kept and prepared in accordance with proper accounting practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom (published by CIPFA). All data that the Executive Director (Resources and Support Services) requests in order to produce the final accounts and the statement of accounts must be supplied promptly to the Executive Director (Resources and Support Services).

1.8 Separation of Duties

- 1.8.1 The task of providing information, calculating, checking and recording the sums due to or from the Council shall be separated as completely as possible from the task of collecting or paying out these sums.

- 1.8.2 Employees responsible for examining and checking records of cash transactions shall not themselves be engaged in any of these transactions.
- 1.8.3 Wherever possible, arrangements shall be made to ensure that:
- the requisitioning of works, supplies and services;
 - the approval of requisitions in order to produce an order to be sent to a supplier;
 - the acknowledgement of their receipt; and
 - the examination /certification of invoices /accounts
- are carried out by different persons. The Executive Director (Resources and Support Services) shall be informed, in writing, of situations where this cannot occur in practice.
- 1.8.4 Each Director must notify the Executive Director (Resources and Support Services) in advance of all employees authorised to approve official documents in accordance with Financial Regulations.

Explanatory Notes

The separation of duties is most important to protect the Council against the possibility of fraud, and to place its employees above suspicion. Different employees should therefore, perform the functions of requisitioning, approval of requisitions, certifying that goods and services have been received and paying for supplies and services and similarly for the collection of sums due and the verification of such operations.

1.9 Grant and Other Claims

- 1.9.1 The Executive Director (Resources and Support Services) shall ensure, in conjunction with Directors that all claims for funds, including grants are made by the due date and that the grants coordinator, based in Financial Management, is notified of all grants and claims in advance and provided with actual forms, documents and supporting evidence verifying entries on the grants and claims in advance of their certification as required by the Executive Director (Resources and Support Services).
- 1.9.2 Officers need to have regard to the possible liability that could occur for the Council in respect of the claw back of grants. Consideration should be given to the contract being entered into, the risks involved and the likelihood and impact of any claw back occurring.

PR2: FINANCIAL PLANNING

2.1 Performance Plans

- 2.1.1 Directors and Heads of Service shall
- supply to the Business Improvement Manager any information, relevant to services within their areas of responsibility, required for inclusion in the Council Plan or Service Plans or for monitoring performance targets included in such plans, in accordance with statutory requirements where applicable and agreed timetables.
 - contribute to the development of the Council Plan/Service Plans, corporate and service targets and objectives and performance information.
 - ensure that systems are in place to measure activity and collect accurate information for use as performance indicators
 - ensure that performance information is monitored sufficiently frequently to allow corrective action to be taken if targets are not likely to be met and to take any such action whenever necessary.

Explanatory Notes

The Council Plan and Service Plans should be produced so that they are consistent and in accordance with any applicable statutory provisions. Plans should meet timetables set and all performance information included in them should be accurate, complete and up to date. Plans should provide improvement targets that are SMART (specific, measurable, achievable, realistic and timed).

2.2 General Fund Revenue Budget and Format of the budget

2.2.1 Estimates shall show in convenient detail the sums required for each purpose. They shall comply with the Code of Practice currently in force in relation to financial reporting and any guidance issued by the Cabinet.

2.3 Revenue budget, preparation, monitoring and control

2.3.1 The timetable and procedures for estimate preparation and the detailed format of the estimates will be determined and co-ordinated by the Executive Director (Resources and Support Services).

2.3.2 The Executive Director (Resources and Support Services) shall aggregate and summarise the estimates prepared by the Directors, based on the Medium Term Financial Strategy assumptions, in order to report thereon to the Cabinet. He/They shall advise the Cabinet as to the robustness of the estimates and ensure that they are compiled on a 'proper' basis.

2.3.3 Items which are proposed to be included in the budget and which involve a new policy, or a significant departure from present policy or create significant financial commitments in future years, shall be brought to the attention of the Executive Management Team before being included in the budget submitted to the Cabinet. Their inclusion shall be drawn to the attention of the Cabinet in the accompanying report. No commitment to any such new policies or departures shall be incurred until the Cabinet has approved their inclusion in the budget.

2.3.4 Directors shall be authorised to incur expenditure and must collect income strictly in accordance with the estimates contained in the approved budgets relating to services within their areas of responsibility.

2.3.5 Each Director shall continuously monitor the budgets relating to services within their area of responsibility in order to determine:

- (a) that approved estimates of expenditure within those budgets are not, or are not likely to become, overspent; and
- (b) that approved estimates of income within those budgets are likely to be matched by actual receipts of income.

2.3.6 The Executive Director (Resources and Support Services) shall be responsible for overall budget monitoring. He/They shall provide suitable regular reports to Directors, containing details of actual expenditure and income compared to the corresponding approved estimates, to assist them to fulfil their responsibility for controlling budgeted expenditure and income under Procedural Financial Regulation 2.3. They shall also notify the Director in any case where they believes that an estimate, forming part of a budget for which the Director is responsible, has been or may become significantly exceeded by actual expenditure or, in the case of an income estimate, not matched by actual income.

2.3.7 If it appears to a Director that an excess of expenditure or a shortfall in income has occurred, or is likely to occur, in relation to any of the estimates forming part of a budget for which he is responsible, they shall take immediate steps to deal with the variation from the approved estimate.

2.3.8 In order to deal with a variation from an approved estimate a Director shall:

- (a) where a variation appears likely, but has not yet occurred, immediately take action to reduce the level of activity relating to the budget head in question, thereby containing expenditure within the approved estimate; or
- (b) after consultation with the Executive Director (Resources and Support Services), determine that the increased cost can be met from an increase in the amount of income to be received; or
- (c) determine that the variation can be met by means of virement from another budget head or heads (in accordance with the scheme of virement set out in Procedural Financial Regulation 1.4).

All instances of the use of Directors' authority under a, b, and c above shall be recorded in a form approved by the Executive Director (Resources and Support Services).

2.3.9 Where they are consulted by a Director with regard to any of the proposals described in Procedural Financial Regulation 2.3, for dealing with an estimate variation, the Executive Director (Resources and Support Services) shall be authorised to either approve the proposal or require it to be referred to the Cabinet for approval.

2.3.10 A Director shall not be permitted to take any of the measures described in Procedural Financial Regulation 2.3 if to do so would result in a significant reduction in the level of service provided to the general public. Any measure which would, for this or any other reason, constitute a material departure from the policies implicit in the approved budget shall be referred to the Cabinet.

- 2.3.11 Where a Director is unable to deal with the occurrence, or likely occurrence, of a variation from an approved budget estimate by means of any of the measures described in Procedural Financial Regulation 2.3 he shall immediately report it to the Cabinet.
- 2.3.12 All reports to the Cabinet concerning budget estimate variations shall contain the reason(s) for the variation from the approved estimate and the implications, if any, for future years' budgets and shall recommend that the Cabinet:
- amends the approved estimate relating to the budget head in question by approving virement from another budget head or heads of an amount equivalent to the amount of the variation; or
 - approves a supplementary estimate for the amount of the variation.
- 2.3.13 The Cabinet on receiving a report concerning budget variations shall resolve to either approve virement or a supplementary estimate.
- 2.3.14 Where a Director proposes to incur expenditure:
- for a purpose which has not been estimated for within an approved budget; or
 - which will result in an approved estimate relating to a budget head becoming overspent;
- this shall be treated as a variation from an approved estimate and all Financial Regulations relating to such variations shall apply.
- 2.3.15 Where it can be demonstrated that urgent Cabinet approval, outside of normal Cabinet meeting dates, is necessary for a proposal to make a supplementary estimate or approve virement the following extraordinary procedures shall apply:
- The relevant Director in consultation with a Member of the Cabinet may give approval, in writing, to the proposal.
 - The relevant Director should state the advice given by the Executive Director (Resources and Support Services) on the financial implications of the proposal in writing to the Member.
 - The proposal shall be reported to the next meeting of the Cabinet for information. A copy of all such approvals shall be provided to the Chief Executive.
- 2.3.16 Directors shall ensure that performance and levels of service are monitored in conjunction with the budget and that necessary action is taken to align service outputs with budgets. In order to achieve this they shall ensure that a monitoring process is in place to review performance and levels of service and that it is operating effectively.
- 2.3.17 Directors shall seek to identify opportunities to minimise or eliminate resource requirements or consumption without having a detrimental effect on service delivery. Directors shall notify the Executive Director (Resources and Support Services) of all such efficiency savings made or proposed to be made to assist budget monitoring and planning.
- 2.3.18 Within their areas of responsibility Directors shall designate particular named employees as Budget Holders, who possess the necessary competencies for the role, in respect of cost centres or groups of cost centres. Budget Holders shall be responsible for assisting the relevant Director to discharge their responsibility in respect of budget preparation, monitoring and control as set out in these regulations. Budget Holders shall be specifically responsible only for income and expenditure that they can influence. Directors shall notify the Executive Director (Resources and Support Services) of the employees who have been so designated. The Executive Director (Resources and Support Services) shall provide Budget Holders with the financial and other data that they may require in order to carry out their responsibilities.
- 2.3.19 The Executive Director (Resources and Support Services) shall, in conjunction with Directors, ensure that a monitoring process is in place to review the effectiveness and operation of budget preparation and ensure that any corrective action is taken.

Explanatory notes

There is specific budget approval for all expenditure and income.

Most parts of the budget are compiled within the Financial Management section by reference to the Medium Term Financial Strategy, using the assumptions contained therein in respect of change factors such as pay and price

increases. However, there may be some areas where budget holders will compile budgets for submission to Finance. Budget holders must inform Finance of any change factors which they are aware of which may affect the budget to be compiled.

Budget holders are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet/Council for their budgets and the level of service to be delivered

A monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

There are procedures to deal with overspendings and income shortages which should be followed by budget holders. Generally these involve the use of virement or curtailing activity to stay within the available budget or sometimes increasing income to cover the overspending/shortfall.

The budget format must comply with all legal requirements, with CIPFA's Best Value Accounting Code of Practice and must reflect the accountabilities of service delivery.

Budget managers should be responsible only for the income and expenditure that they can influence. There is a nominated budget holder for each cost centre heading and they accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities. Budget managers follow an approved certification process for all expenditure and their income and expenditure is properly recorded and accounted for.

Performance levels in respect of services are monitored in conjunction with the budget and necessary action is taken to align service outputs and budgets.

2.4 Trading Accounts

2.4.1 Where the Cabinet so requires, Directors responsible for the operation of activities covered by Trading Accounts shall prepare annual budget estimates for those accounts (including any holding accounts). These estimates shall be referred for approval to the Cabinet.

2.4.2 The Cabinet shall set a timetable and, advised by the Executive Director (Resources and Support Services), lay down the procedures to be followed within which these estimates shall be prepared.

2.5 Other Accounts

2.5.1 Expenditure proposed to be charged to any other revenue account of the Council shall be referred to the Cabinet for approval where:

- (a) the proposed expenditure is not covered by, or is likely to exceed, any existing limit or approval applicable to expenditure to be charged to that revenue account; or
- (b) in the opinion of the Executive Director (Resources and Support Services), the proposed expenditure is of such a nature or magnitude that it should be so referred.

2.6 Maintenance of reserves

2.6.1 All reserves shall be maintained in accordance with the current applicable accounting code of practice.

2.6.2 The purpose, usage and basis of transactions of each reserve established shall be clearly identified by the Full Council informed by the Executive Director (Resources and Support Services).

2.6.3 Directors shall not incur any expenditure which is proposed to be met from reserves without consultation with the Executive Director (Resources and Support Services) who may require the proposal to be submitted to the Cabinet or Full Council for approval, in which case it may not be incurred until such approval has been given.

2.6.4 In advising the Full Council or Cabinet upon the prudent levels of reserves for the Council, the Executive Director (Resources and Support Services) shall consider any advice received from the Council's external auditor. They shall assess the adequacy of the General Fund balances by reference to a risk assessment of items contained within the General Fund Budget or which may become a charge against it.

Explanatory Notes

The Council has set aside money from various sources to be used to fund specific types of expenditure, for example buildings repairs, equipment replacement or capital expenditure or to be available to meet unexpected contingencies. The accounts holding these sums are referred to as reserves.

Reserves should be maintained in accordance with the Code of Practice on Local Authority Accounting in the UK (published by CIPFA) and agreed accounting policies. For each reserve established, the purpose, usage and basis of transactions should be clearly identified. Authorisation and expenditure from reserves by the appropriate Director will be in consultation with the Executive Director (Resources and Support Services).

No expenditure or income may be charged or credited directly to a reserve. All must be charged or credited initially to a revenue account with an appropriation (transfer) made from or to the reserve to meet the expenditure or transfer the income to it.

2.7 Capital Programme

- 2.7.1 Only expenditure which conforms with the statutory definition of capital expenditure, as contained in the Local Government Act 2003 or any subsequent Act or Regulations shall be treated as capital expenditure and all Financial Regulations in Section Bf shall apply to it.
- 2.7.2 The capital programme submitted to the Cabinet and Full Council for consideration and approval shall comprise a list of General Fund capital schemes. This shall show in respect of each scheme the amount which it is intended shall be spent in the current year, the following year and, where appropriate, in future years.
- 2.7.3 Reports submitted by the Executive Director (Resources and Support Services) to the Cabinet concerning updates to the capital programme during the year shall include reference to any significant variance in estimated scheme costs from current approved estimates or instances where schemes are proposed to be added to or deleted from the approved programme. They shall also refer to the resources available, or expected to be available, to finance the programme taking account, where necessary, of any proposed amendments to it. The revenue implications of all capital schemes in the form of the whole life cost of the project shall also be reported to ensure that the impact on the revenue budget is known and appropriate provision approved. Directors shall provide, in a timely manner, any information he requires in order to compile their report.
- 2.7.4 ~~The Capital, Assets and Commercial Investment Review Group (CACIRG) monitors and reviews the capital programme. The CACIRG will be chaired by the Portfolio of Finance and Efficiency. The CACIRG~~ The Capital, Assets and Commercial Investment Review Group (CACIRG) monitors and reviews the capital programme. The CACIRG will be chaired by the Portfolio of Finance and Efficiency. The CACIRG shall review progress in respect of the capital programme and shall consider all proposed new projects before the Cabinet or Full Council are requested to add them to the capital programme and shall consider any revisions to the capital programme before a revised programme is submitted to Cabinet or Full Council for consideration or approval.
- 2.7.5 Before any order shall be placed or expenditure incurred relating to any capital scheme, the appropriate Director shall make a report in consultation with the Executive Director (Resources and Support Services) to the Cabinet. The report shall state the total estimated cost of the scheme and whether provision has been made for it in the approved capital programme, together with the amount of any such provision. The report should contain a business case, the detail of which will be dependent on the cost of the proposal. The report shall refer to any costs which may fall to be met from any revenue account of the Council as a result of the scheme being carried out, and to any grant or contribution, including its amount and any conditions which may be attached to such payment, which it is expected may be payable towards its cost. The Cabinet shall determine whether the scheme is to be carried out and, if so, shall approve the estimated cost of the scheme together with any other relevant financial matters relating to the scheme. No such reports shall be brought to the Cabinet unless the relevant scheme has been considered and approved for submission to the Cabinet by the Capital, Assets and Commercial Investment Review Group ~~Capital, Assets and Commercial Investment Review Group.~~
- 2.7.6 The Cabinet may consider a new scheme for inclusion in the approved capital programme at any time. In doing so it shall:
- have regard to its estimated costs, the comments of the relevant Director and the Executive Director (Resources and Support Services), the composition and total cost of the approved programme and the resources available or expected to be available to finance that programme.

- (b) either give approval for the scheme to be included in the approved programme or determine that it shall not be included in the programme.
- (c) in cases where approval is given to include a scheme in the approved programme, determine the estimated cost at which it is to be included.
- (d) Have regard to the contents of any relevant Capital Appraisal, as referred to in 2.3 and to any views expressed by the Capital, Assets and Commercial Investment Review Group ~~Capital, Assets and Commercial Investment Review Group~~ which are reported to it.
- 2.7.7 Where the Cabinet has determined that a scheme shall be included in the approved capital programme and has also approved the estimated cost of the scheme, it shall either:
- (a) add the scheme to the approved programme at the estimated cost amending at the same time the cost of another scheme or costs of other schemes within the programme (including the deletion of such schemes in their entirety) such that the total cost of the programme remains unaltered; or
- (b) add the scheme to the approved programme, as above, with no amendment or deletion of any other schemes included in the programme, thereby increasing the total cost of the programme; or
- (c) deal with the proposal by a combination of the two methods provided for at (a) and (b) above.
- 2.7.8 Directors shall:
- (a) be authorised to incur expenditure upon any capital scheme within their area of responsibility strictly in accordance with the approved estimate relating to it;
- (b) continuously monitor the progress of each capital scheme within their area of responsibility, comparing actual expenditure incurred, or likely to be incurred, with the approved estimate for the scheme.
- 2.7.9 If it appears to a Director that an excess of expenditure has occurred, or is likely to occur, relating to a scheme within their area of responsibility, he shall immediately report the variation to the Cabinet.
- 2.7.10 The Cabinet on receiving a report concerning an actual or probable estimate variation shall resolve:
- (a) to reduce the extent of the scheme and approve a revised estimated cost for it in order to contain its cost within the approved estimate; or
- (b) to deal with the variation by means of virement, by reducing the estimate relating to another scheme or schemes within the approved capital programme sufficient to cover it; or
- (c) to approve a supplementary estimate for the amount of the variation; or
- (d) not to proceed with the scheme.
- In determining how to deal with an estimate variation, the Cabinet shall have regard to the factors referred to in Financial Regulation 2.7, sub paragraphs a and d.
- 2.7.11 No expenditure shall be incurred on any scheme which is to be financed, in whole or in part, by means of a grant or contribution from central government or another person or body until a written commitment, to the satisfaction of the Executive Director (Resources and Support Services), has been received by the Council from the relevant government department, person, or body that it will be paid.
- 2.7.12 In the event of an anticipated grant or contribution not being payable or its amount being reduced to a material extent, having regard to the total cost of a scheme, or the conditions attached to its payment being materially altered, the Director responsible for the scheme shall inform the Executive Director (Resources and Support Services) and immediately report this occurrence to the Cabinet.
- 2.7.13 Where a shortfall of grant or contribution, or a material change in conditions, is reported to the Cabinet it shall treat it as an estimate variation and follow the procedure described in Financial Regulation 2.7.
- 2.7.14 In cases only of genuine emergency, where it can be demonstrated that urgent Cabinet approval, outside of normal Cabinet meeting dates, is necessary to a proposal to incur capital expenditure upon a scheme, including a request for a supplementary estimate or virement as a result of an estimate variation, the extraordinary procedure permitted by Financial Regulation 2.3 shall apply.
- 2.7.15 In all cases where the extraordinary procedure permitted by this Financial Regulation is followed, the same information and advice, which would be provided, in the form of a report, to a normal meeting of the Cabinet, shall be provided to the Cabinet Member. In particular he must be informed whether the proposed expenditure is within the sum included for the scheme within the approved capital programme.
- 2.7.16 A copy of all such approvals shall be provided to the Chief Executive.

- 2.7.17 The Executive Director (Resources and Support Services) shall determine the method of financing to be employed in respect of each capital scheme, subject to any instructions which may be given by the Cabinet.
- 2.7.18 Directors shall ensure that adequate records are maintained in respect of all capital contracts.
- 2.7.19 All claims or requests for any grant or contribution which may be payable towards capital expenditure incurred by the Council shall be made as soon as is possible. The Executive Director (Resources and Support Services) shall be responsible for the submission of all such claims or requests and for liaison with the external auditor wherever certification of a grant claim is required. However, they may, in appropriate cases, agree that another Director shall submit a claim or request, provided that the Director complies with any instructions that he may give. In such cases the Executive Director (Resources and Support Services) shall be supplied promptly with a copy of the claim or request which has been submitted. Directors shall promptly supply the Executive Director (Resources and Support Services) with any information which they may require in order to submit a claim or request within any time scale laid down by the body or person to whom the claim is to be submitted.
- 2.7.20 The Executive Director (Resources and Support Services) shall be responsible for the submission of all bids or requests for approval in respect of capitalisation directions or any other matter concerning capital accounting or funding (not covered by 2.7) from central government. However, they may, in appropriate cases, agree that another Director shall submit such a bid provided that the Director complies with any instructions that they may give. In such cases the Executive Director (Resources and Support Services) shall be supplied promptly with a copy of the bid which has been submitted. Directors shall promptly supply the Executive Director (Resources and Support Services) with any information that they may require in order to submit a bid within any timescale laid down.
- 2.7.21 No bid under any government programme shall be made for capital grant or other resources where this may commit the Council to capital expenditure not already approved until the proposed bid has been referred to and approved by the Cabinet. The Cabinet shall consider the effect that a successful bid would have upon the capital programme, taking into consideration the resources available to finance capital expenditure and may approve any schemes involved and amend the programme accordingly. The Cabinet shall be kept informed of the progress of any bid, including any changes which may be proposed to its composition or to the amount of any external resources to be provided and shall, if it considers it to be necessary require that the bid be withdrawn. The Chief Executive or their delegated employee or the Cabinet may accept any offer, which may be made to the Council as a result of a bid submission which is within the approved capital programme budget. Full Council approval will be required for a bid that exceeds the total of the approved capital programme budget.
- 2.7.22 No lease, hire, rental or other arrangement of a similar nature shall be entered into without reference to the Executive Director (Resources and Support Services) to enable them to assess the implications for the capital or revenue budgets. If the Executive Director (Resources and Support Services) so requires, the arrangement shall be submitted, together with the Executive Director's (Resources and Support Services) comments thereon, to the Cabinet for approval.
- 2.7.23 The Executive Director (Resources and Support Services) shall be consulted before any proposal is considered to either acquire or dispose of capital assets, including by way of exchange, in order that they may advise with regard to the impact of the capital control regulations upon the proposed transaction.
- 2.7.24 Upon completion of each capital scheme a report shall be made to the Cabinet of its costs and any other relevant matters. This report may take the form of a schedule of completed schemes, reported periodically to Cabinet, showing the relevant data for each individual completed scheme.
- 2.7.25 The Executive Director (Resources and Support Services) shall ensure that a Capital Strategy, that includes the Council's prudential indicators, is produced and revised annually. They shall submit the Capital Strategy to Full Council for approval.

Explanatory Notes

Capital expenditure can be defined as expenditure on the acquisition of assets to be used in the provision of Council services and will include: the acquisition, reclamation and laying out of land; the acquisition, construction, preparation, enhancement or replacement of buildings and other structures; the acquisition, installation or replacement of moveable or immoveable plant, machinery, apparatus and vehicles; acquisition of computer software and hardware. It may also include

expenditure on improvement or enhancement works such as intended to lengthen the life of an asset, increase its market value or increase its usefulness. Major repairs, particularly structural repairs, can also meet the definition. Some expenditure which does not involve a Council owned asset may also be capitalised, for example disabled facilities grants and capital contributions towards capital projects being carried out by other bodies.

A capital programme, comprising a list of capital schemes, is compiled and approved by the Full Council each year. Schemes proposed for inclusion in the capital programme will in most cases be subject to an appraisal process.

During the year, the Cabinet is responsible for approving changes to the programme, such as additional schemes or virements between schemes, although Full Council approval may be required where a change would cause the total amount of the approved programme to increase or additional capital financing resources such as capital receipts to be used up.

Before the procurement process can be initiated in relation to individual schemes or work commence, specific approval needs to be obtained, either from the Cabinet or the Capital, Asset and Commercial Investment Review Group in the case of low cost projects where a de minimis threshold applies.

The capital programme is monitored to ensure that schemes progress in a timely manner and that the amount approved for each scheme is not exceeded. A project officer is responsible for each capital scheme and must monitor their schemes to ensure they are completed on time and within the approved budget.

If expenditure on a scheme is likely to exceed the approved amount or a grant or contribution towards the cost of a scheme is likely to be less than anticipated this must be reported to the Cabinet. Such adverse variances may be dealt with by virement from other schemes where savings can be made or their cost reduced or from schemes which are no longer needed. It may also be possible to reduce the extent of the scheme to allow it to be completed within budget.

No bids to external bodies for grants or contributions should be made without consulting the Executive Director (Resources and Support Services). Bids and claims may be made by budget holders with the approval of the Executive Director (Resources and Support Services), otherwise they will do so. No commitment to expenditure should be made until any grant or contribution towards it has been confirmed in writing by the granting body. Grants or contributions due should be claimed promptly.

No lease, hire, rental or similar arrangements should be entered into without consulting the Executive Director (Resources and Support Services) and may require Cabinet approval.

PR3: RISK MANAGEMENT AND CONTROL OF RESOURCES

3.1 Risk management

- 3.1.1 Risk management is the planned and systematic approach to the identification, evaluation and control of risk. The Audit and Standards Committee shall approve a Risk Management Strategy for the Council and shall promote a culture of risk management awareness throughout the Council.
- 3.1.2 The ~~Chief Executive~~Executive Director (Resources and Support Services) shall;
- (a) Chair the ~~Information Governance Group (IGG)~~Corporate Governance Working Group, comprising of at least one representative of each Director and any other individuals he may deem appropriate. The Group ~~ensures that Executive Management Team (EMT) are aware of any issues that have been escalated by the IGG that cannot be resolved and ensures that these are noted in minutes of EMT and actioned accordingly either by or on behalf of EMT. The IGG provides assurance to the Audit and Standards Committee as appropriate that the risks are being managed in accordance with the Risk Management Strategy shall advise the Audit and Standards Committee of any risks to the Council and shall be responsible for the review, updating and promotion of the risk management strategy. It shall propose any amendments to the Strategy that it considers necessary to the Audit and Standards Committee.~~Be responsible for developing risk management controls in conjunction with other Directors.
- 3.1.3 Directors shall:
- (a) Be responsible for risk management and must have regard to advice from the Chief Executive and the Executive Director (Resources and Support Services) and other specialist employees (e.g. crime prevention, fire prevention, health and safety and cash handling).
- (b) Ensure that there are regular reviews of risk within their departments.

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- (c) Complete the Corporate Strategic/Operational Risk Assessment Control documents for each service and update them annually.
- (d) Ensure that business continuity plans are compiled and maintained in respect of all business critical systems and that comprehensive working notes - explaining those systems' mode of operation - are compiled and maintained.
- (e) Utilise the corporate IT system for risk management (currently GRACE) to record and manage their risks and shall promptly supply any data requested for its update to the Business Improvement Manager.
- (f) Ensure that all inspections or programmes of work designed to identify or mitigate risks which are required by law or by the Council are carried out and evidence is retained to show that this has been done.

3.1.4 All reports shall contain reference to any major risks which the item reported upon may have for the Council and, where appropriate, a risk assessment in the corporate style will be appended.

Explanatory Notes

Procedures should be in place to identify, assess, prevent or contain material known risks and ensure these procedures are operating effectively throughout the Council.

A monitoring procedure is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls.

Risk management processes should be conducted on a continuing basis, managers should know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives. Provision may be made for losses that might result from the risks that remain through insurance.

The Council has prepared business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

3.2 Insurances

3.2.1 The Business Improvement Manager shall be responsible for the arrangement of appropriate insurance cover through external insurance and internal funding. He shall, after such consultation as he thinks appropriate with other employees, settle all claims within individual policy excesses, and pass on all claims over individual policy excesses to the relevant insurer.

3.2.2 Directors shall:

- (a) give prompt notification to the Business Improvement Manager of all new risks, properties, vehicles or any other assets which require to be insured and of any alteration affecting existing insurances;
- (b) notify the Business Improvement Manager in writing of any loss, liability or damage or any event likely to lead to a claim against the Council together with any information or explanation required by them or the Council's insurer's, and inform the police where necessary;
- (c) ensure that all appropriate employees of the Council shall be included in a suitable fidelity guarantee insurance;
- (d) consult the Business Improvement Manager in respect of any indemnity which the Council is requested to give;
- (e) ensure that employees, or anyone covered by the Council's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

3.2.3 The Business Improvement Manager shall:

- (a) keep a register of all insurances arranged by the Council and the property and risk covered by them;
- (b) annually or at such other period as he may consider necessary, furnish Directors with details of all insurances in force affecting their Departments. Each Director shall review all such insurances, and any risks not insured against, or inadequately insured against, shall be notified immediately to the Business Improvement Manager;
- (c) ensure the adequacy of all insurances entered into by contractors of the Council. Contractors carrying out work for the Council shall have a minimum level of Public Liability insurance cover as specified by the Cabinet, unless a lower figure has been agreed in advance with the Business Improvement Manager. An

employee shall not authorise work to be commenced by a Contractor until the Business Improvement Manager has advised such an employee that the appropriate insurances have been effected to their satisfaction.

Explanatory Notes

The Business Improvement Manager is responsible for arranging insurance cover and for settling claims. It is the duty of Directors to notify the Business Improvement Manager of all new risks and possible claims.

Procedures are in place to investigate claims within required time scales

Acceptable levels of risk are determined and insured against where appropriate.

3.3 Internal controls

- 3.3.1 The Council accepts that controls and control systems must be in place to ensure that its financial and other activities are carried out in a secure environment, in a manner that complies with the law and that fulfils its stewardship obligations. To achieve this, the following key controls and control objectives and systems shall be in place:
- key controls shall be reviewed on a regular basis and the Council shall make a formal statement annually to the effect that it is satisfied that the systems of internal control are operating effectively;
 - managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities;
 - financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems;
 - an effective internal audit function that is properly resourced. It should operate in accordance with the principles contained in the joint CIPFA / IIA (Institute of Internal Auditors) auditing guideline 'Public Sector Internal Audit Standards' and with any other statutory obligations and regulations.
- 3.3.2 The Executive Director (Resources and Support Services), in conjunction with the Head of [Finance and Chief Internal Auditor](#) ~~Audit and Elections~~, shall assist the Council to put in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with laws and regulations.
- 3.3.3 Directors shall:
- manage processes to check that established controls are being adhered to and evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks;
 - review existing controls in the light of changes affecting the Council and establish and implement new ones in line with guidance from the Executive Director (Resources and Support Services). Directors shall also be responsible for removing controls that are unnecessary or not cost or risk effective - for example, because of duplication after consultation with the Executive Director (Resources and Support Services);
 - ensure that employees have a clear understanding of the consequences of lack of control.

Explanatory Notes

The Council is complex and beyond the direct control of individuals. It therefore requires internal controls to manage and monitor progress towards strategic objectives.

The Council has statutory obligations, and, therefore, requires internal controls to identify, meet and monitor compliance with these obligations.

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.

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

- efficient and effective operations*

- (b) reliable financial information and reporting
 (c) compliance with laws and regulations
 (d) risk management

Audit requirements

3.4 Internal audit

- 3.4.1 The Council under delegation to the Executive Director (Resources and Support Services) shall maintain an adequate and effective continuous internal audit of all the Council's activities. Such internal audit is to be performed in accordance with the Accounts and Audit (England) Regulations 2015 and with the policy statements on internal audit issued by the Chartered Institute of Public Finance and Accountancy.
- 3.4.2 Internal Audit shall be independent in its planning and operation. The [Head of Chief Finance Internal Auditor Audit and Elections](#) shall have direct access to the Head of Paid Service, all levels of management and to elected Members. Internal Auditors shall comply with the Public Sector Internal Audit Standards (PSIAS) as interpreted by the Chartered Institute of Public Finance and Accountancy's Application note.
- 3.4.3 Internal Auditors shall have the authority to:
- enter at all reasonable times any Council establishment;
 - have access to all records, documents, information and correspondence relating to any financial and other transaction as he considers necessary;
 - evaluate the adequacy and effectiveness of internal controls designed to secure assets and data to assist management in preventing and deterring fraud;
 - request explanations as considered necessary to provide assurance as to the correctness of any matter under examination;
 - require any employee of the Council to produce cash, materials or any other Council property in their possession or under their control;
 - access records belonging to third parties, such as contractors, when required and
 - directly access the Chief Executive, the Cabinet and the Audit and Standards Committee.
- 3.4.4 The [Head of Finance Audit Chief Internal Auditor and Elections](#) shall:
- prepare the strategic and annual audit plans which will take account of the relative risks of the audit areas and submit such plans for approval to the Audit and Standards Committee;
 - be notified immediately by any Director, of any circumstances which may suggest the possibility of irregularity affecting cash, stocks or other property of the Council and of the potential of any fraud or corrupt activities. The [Head of Finance Audit Chief Internal Auditor and Elections](#) shall report to the Chief Executive, the Section 151 Officer, the Full Council, Audit and Standards Committee, Cabinet, Standards Committee, or the external auditor any matter of a significant nature. Pending investigation and reporting, the [Head of Finance Chief Internal Auditor - Audit and Elections](#) shall take all necessary steps to prevent further loss and to secure records, information and documentation against removal or alteration;
 - exercise the utmost confidentiality in all matters relating to the audit of the Council's activities; and
 - ensure that effective procedures are in place to investigate promptly any fraud or irregularity.
- 3.4.5 Directors shall:
- ensure that all employees within their departments are aware of the Council's fraud and corruption policy and the arrangements for "whistleblowing" contained therein;
 - ensure that Internal Auditors are given access at all reasonable times to premises, personnel, documents, information and assets that the auditors consider necessary for the purposes of their work;
 - ensure that auditors are provided with any information and explanations that they seek in the course of their work;
 - consider and respond promptly to recommendations in audit reports;
 - ensure that any agreed actions arising from audit recommendations are carried out in a timely and efficient fashion and
 - ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the Executive Director (Resources & Support Services) and the [Head of Finance Chief Internal Auditor Audit and Elections](#) prior to implementation.

Explanatory Notes

The Executive Director (Resources and Support Services) by delegation is required by statute to maintain an adequate and effective internal audit of the Council in order to guard against waste and fraud and is therefore, entitled to examine all documents, records and computer files maintained by the Council. Where an irregularity is suspected it is important that the [Head of Finance Audit Chief Internal Auditor and Elections](#) becomes involved as quickly as possible so that for example, the rules of evidence are not breached.

It is management's responsibility to prevent and detect fraud arising. The audit function is to investigate the surrounding circumstances and report on the adequacy of internal controls.

3.5 External audit

- 3.5.1 The Executive Director (Resources and Support Services) shall:
- ensure that external auditors are given access at all reasonable times to premises, personnel, documents, information and assets that the external auditors consider necessary for the purposes of their work;
 - ensure there is effective liaison between external and internal audit;
 - work with the external auditor and advise the Full Council, Cabinet, Audit and Standards Committee and Directors on their responsibilities in relation to external audit.
- 3.5.2 Directors shall:
- ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work;
 - ensure that all records and systems are up to date and available for inspection.

Explanatory Notes

The Council's accounts and financial activities are subject to inspection by external auditors.

If the external auditor requests information or the supply of data, such as documents, staff must cooperate with the auditor. Sometimes the external auditor may channel their request via internal audit or the Council's own financial staff in which case information or data must similarly be supplied.

The external auditors were appointed following a tendering process and carry out their audit of the Council's accounts and financial activities in accordance with nationally set audit standards.

3.6 Preventing Fraud and Corruption

- 3.6.1 The [Head of Finance Audit Chief Internal Auditor and Elections](#) shall:
- develop and maintain an anti-fraud and anti-corruption policy;
 - maintain adequate and effective internal control arrangements;
 - ensure that all suspected irregularities are reported to the Chief Executive, the Section 151 Officer and the Audit and Standards Committee.
- 3.6.2 Directors shall:
- ensure that all suspected irregularities are reported to the [Head of Finance Audit Chief Internal Auditor and Elections](#);
 - investigate the Council's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour;
 - ensure that where financial impropriety is discovered, the [Chief Internal Auditor Head of Finance Audit and Elections](#) is informed and after taking legal advice to ensure that sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place;
 - ensure that they and their employees complete the register of interests maintained by the Monitoring Officer;
 - ensure that they and their employees comply with the anti-fraud and anti-corruption policy and the advice provided to employees.
- 3.6.3 The Head of [Legal and Governance Audit and Elections](#) as Monitoring Officer shall have overall responsibility for the maintenance and operation of the whistleblowing policy.

Explanatory Notes

The Council will not tolerate fraud and corruption and its expectations of propriety and accountability are that Members and employees at all levels will lead by example in ensuring adherence to legal requirements, rules, procedures and practices.

The key controls regarding the prevention of financial irregularities are that: the Council has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption; all Members and employees act with integrity and lead by example; senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Council or who are corrupt; high standards of conduct are promoted amongst Members by the Standards Committee; the maintenance of a register of interests in which any hospitality or gifts accepted must be recorded; whistle blowing procedures are in place and operate effectively and that legislation including the Public Interest Disclosure Act 1998 is adhered to.

Irregularities must be reported to the [Chief Internal Auditor Head of Finance Audit and Elections](#) immediately when they occur in order to ensure that, amongst other things, rules of evidence are not breached.

3.7 Assets

- 3.7.1 The Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~), in conjunction with the Executive Director (Resources and Support Services), shall keep an Asset Register which shall record all of the material capital assets owned by the Council, together with their values. Assets shall be valued in accordance with the 'Code of Practice on Local Authority Accounting in the United Kingdom (published by CIPFA). The Asset Register shall be kept up to date and in accordance with the requirements of the Executive Director (Resources and Support Services). Directors shall supply any information required by the Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~) or the Executive Director (Resources and Support Services) in order to maintain the Register.
- 3.7.2 The Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~) shall maintain an up to date terrier of all land owned, leased or licensed by the Council and of land sold or leased off. The terrier must:
- record the purpose for which the land is held and;
 - record the location, extent and plan reference of the land.
- 3.7.3 The Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~) shall maintain or compile an Asset Management Plan ~~is produced~~ and ensure that it is revised annually. Assisted by relevant Directors, they shall ensure that the plan is implemented and monitor performance against the targets and outputs contained in the plan.
- 3.7.4 Directors shall:
- provide information to the Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~) on an annual basis, for them to update the Asset Management Plan;
 - ensure that lessees and other prospective occupiers of council land are not allowed to take possession or enter the land until a lease or agreement, in a form approved in consultation with the Business Improvement Manager and Executive Director ([Economic Growth and Commercial Development](#)~~Regeneration and Development~~) has been established as appropriate;
 - ensure that arrangements exist for the proper security of all buildings, stocks, furniture, vehicles, equipment, money, and any other property under their control. They must ensure that all conditions of insurance are complied with in respect of cash and valuables;
 - ensure that cash holdings on premises are kept to a minimum and do not exceed limits for unbanked money as set in Financial Regulation 4.11 without the express permission of the Executive Director (Resources and Support Services);
 - ensure that keys to safes and similar receptacles are carried on the person of those responsible at all times. The loss of any such keys shall be reported to the [Chief Internal Auditor Head of Finance Audit and Elections](#) immediately;
 - be responsible for conforming with GDPR, the Government's Public Services Network (PSN) and the Government Security Classifications scheme (GSC) and maintaining proper security and privacy regarding information held in the Council's computerised and manual systems;

- (g) ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the council in some way;
- (h) ensure that no Council asset is subject to personal use by an employee without proper authority;
- (i) ensure that all employees are aware of their responsibilities with regard to safeguarding the security of the council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's information security and email and internet policies;
- (j) recommend sale of an asset, subject to a joint report by themselves and the Executive Director (Resources and Support Services), where land or buildings are surplus to requirements;
- (k) pass title deeds to the Chief Executive;
- (l) ensure that assets are identified, their location recorded and that they are appropriately marked and insured;
- (m) consult the Executive Director (Resources and Support Services) and the [Chief Internal Auditor Head of Finance Audit and Elections](#) in any case where security is thought to be defective or where it is considered that special security arrangements may be needed;
- (n) record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the Executive Director (Resources and Support Services), the Cabinet agrees otherwise;
- (o) ensure that all records are held in accordance with the document retention policy.

3.7.5 All documents of title, deeds, investment certificates etc. shall be kept in a secure place by the Chief Executive.

Explanatory Notes

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

Directors are responsible for all security matters relating to assets held within their Departments.

The disposal of obsolete materials and equipment is normally by means of tenders to buy or in the case of more valuable items by public auction.

3.8 Inventories

- 3.8.1 Directors shall ensure that all Departments and Establishments maintain inventories under their control. Inventories shall record an adequate description of furniture, fittings, equipment, plant and machinery owned by the Council, with an initial purchase value in excess of that agreed by the Council. Directors should, where they consider it appropriate, also include items where the cumulative purchase value exceeds the figure set by the Council and those items of a portable and desirable nature below this limit.
- 3.8.2 All Directors shall notify the Executive Director (Resources and Support Services) of details of all ICT hardware equipment and software in order that they can maintain a central inventory. Directors are responsible for ensuring that only authorised software is utilised in their Departments and that no illegal copies are obtained or made operational.
- 3.8.3 Inventories shall be in a form approved by the Head of [Finance Audit and Elections](#).
- 3.8.4 Each Director shall carry out an annual check of all items on the inventory in order to verify location, review condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the Council.
- 3.8.5 The [Chief Internal Auditor Head of Finance Audit and Elections](#) shall have access to all Council property and to the inventories and any relevant documents.

- 3.8.6 The Council's property shall not be removed except in accordance with the ordinary course of the Council's business. Council property shall only be used for the Council's purposes unless specifically authorised by the appropriate Director.

Explanatory Notes

Directors are responsible for maintaining records of furniture, fittings and equipment under their control. The regulations cover movements, write offs and disposals of such property.

A check should be made at least once every year to see that the actual assets held correspond with the records. Internal Audit will also carry out periodic checks to see that this is so.

3.9 Stocks

Records

- 3.9.1 Each Director shall:
- (a) be responsible for the care and custody of stocks in their department. Stock accounts and records, including records of issues, write-offs and other adjustments, shall be kept by the Director in such form as may be approved by the Executive Director (Resources and Support Services);
 - (b) furnish the Executive Director (Resources and Support Services) with such documentation in connection with stock records or cost records as may be necessary for the purpose of completing the accounting and financial records of the Council. The Executive Director (Resources and Support Services), in conjunction with the Director concerned, shall determine the method to be followed in the valuation of stocks.
- 3.9.2 A delivery note signed by the person receiving the supplies shall be obtained in respect of every delivery of supplies at the time of delivery. All supplies shall be checked for quantity at the time delivery is made and inspected for quality and compliance with the specification as soon as possible after delivery, following which FIMS shall be immediately updated with delivery details.

Verification of Stocks

- 3.9.3 Annually at 31st March, or such other date as may be agreed with the Executive Director (Resources and Support Services), a complete stock taking of all items shall be carried out by a responsible employee authorised for that purpose by each Director. That employee shall be responsible for ensuring that actual physical stocks agree with the stock records. However, annual stock takings may be waived in cases where the Executive Director (Resources and Support Services) is satisfied that a satisfactory system of continuous stocktaking is in operation.
- 3.9.4 Senior Managers shall:
- (a) sign all stock sheets or stock records and certify that the particulars and prices shown on them are correct;
 - (b) forward to the Executive Director (Resources and Support Services) such certificates relating to stocks as the Executive Director (Resources and Support Services) may require.

Stock Levels

- 3.9.5 Directors shall be responsible for ensuring that stocks are not held in excess of reasonable requirements.
- 3.9.6 No deficiency in stocks, and no items, which have become unserviceable, obsolete, stolen or irrecoverable shall be written off except on the authority of:
- (a) the Executive Director (Resources and Support Services) on the recommendation of the Director if the current value on the open market is not greater than that agreed by Council;
 - (b) the Cabinet on the recommendation of the Director and the Executive Director (Resources and Support Services) if the current value on the open market is greater than that agreed by Council.

Explanatory Notes

It is the responsibility of Directors to keep accurate records of the stocks received, held and issued by their Departments.

Directors must also ensure that actual stock levels are verified with stock records on a continuous basis or at least annually.

It is in the interests of the Council that stocks are kept at optimum level and Directors are responsible for ensuring that procedures exist to ensure this.

3.10 Intellectual property

3.10.1 The Chief Executive shall provide advice on intellectual property procedures.

3.10.2 Directors shall ensure that controls are in place to ensure that employees do not carry out private work in Council time and that employees are aware of an employer's rights with regard to intellectual property.

Explanatory Notes

Certain activities undertaken within the Council may give rise to items that may be patentable, for example, software development. These items are collectively known as intellectual property. In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the advice.

3.11 Asset disposal

3.11.1 The Executive Director (Resources and Support Services) shall:

- (a) issue guidelines representing best practice for disposal of assets;
- (b) ensure appropriate accounting entries are made to remove the value of disposed assets from the Council's records and to include the sale proceeds if appropriate.

3.11.2 Directors shall:

- (a) seek advice and agreement from the ~~Chief Internal Auditor~~ ~~Internal Audit~~ ~~Head of Audit and Elections~~ on the disposal of surplus or obsolete materials, stocks, vehicles, plant and equipment, etc before deletion from an inventory or stock list;
- (b) ensure that income received for the disposal of an asset is properly banked and coded;
- (c) notify the Executive Director (Resources and Support Services) of any material surplus in stocks, etc. in excess of requirements, having a resale value. These shall be disposed of by competitive tender in accordance with the provisions in the Council's Contract Procedural Rules relating to contracts or by public auction dependant on the type of supplies and the values concerned.

Explanatory Notes

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

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

Procedures protect employees involved in the disposal from accusations of personal gain.

Where the value of the asset to be written off/disposed of exceeds the amount as per the monetary amounts table this should be done in liaison with the ~~Chief Internal Auditor~~ ~~Head of Finance~~ ~~Audit and Elections~~. Assets below this value should be approved for write off/disposal by the relevant Business Manager or Head of Service. Managers should ensure that following the disposal of an asset all inventories are updated accordingly.

3.12 MINOR EMPLOYEE EXPENDITURE

- 3.12.1 The Council has removed the previous imprest system that was in operation. Any minor expenditure that an employee has had to urgently undertake within their role shall be reclaimed through expenses. Staff shall not use loyalty cards when making petty cash purchases. [Prior approval for all purchases should be obtained from a Senior Officer/Line Manager.](#)

Items which should not be purchased out of expenses without the prior approval of a senior officer	
Item	Examples
Domestic appliances	Kettles, toasters, microwave ovens
Crockery and cutlery, cooking utensils, kitchen ware	
Alcoholic drinks	
Christmas and other decorations	Christmas trees, lights, streamers, tinsel, retirement banners, 50 years etc banners
Gifts for individuals (staff and others)	Leaving cards, sickness cards, bereavement cards, other cards, flowers, retirement gifts

Explanatory Notes

The Council's aim is to no longer utilise cash based transactions wherever possible.

Complete and comprehensive records of all transactions should be maintained.

Staff must not use loyalty cards (such as Tesco Clubcards, Boots Advantage Cards, etc) when making petty cash purchases. These are personal to the cardholder and if used to make purchases on behalf of the Council, there are tax implications for the Council.

3.13 Treasury Management

- 3.13.1 All treasury management activities shall be carried out in accordance with the Council's approved Treasury Management Policy Statement. The Executive Director (Resources and Support Services) shall review the Policy Statement annually and report to the Finance, Assets & Performance Scrutiny Committee, as delegated by Full Council per the CIPFA Treasury Management Code 2017 upon any amendments that may be required to it.
- 3.13.2 The Executive Director (Resources and Support Services) shall:
- report to Council at any time, as he considers necessary, upon matters relating to treasury management activities. All such reports shall be made to either the Full Council (or delegated committee), the Cabinet or the Audit and Standards Committee, as appropriate and consistent with these regulations;
 - compile a Treasury Management Strategy, covering treasury management activities to be carried out during the following financial year. The report shall be submitted to the Full Council (or delegated committee) before the commencement of the year to which it relates and the Full Council (or delegated committee) must approve such a report before the year in question commences;
 - compile an annual report reviewing the previous year's treasury management activities. The report shall be submitted to the Audit and Standards Committee prior to being submitted to the Full Council (or delegated committee) by 30th September following the end of the year to which it relates. A mid-year report, reviewing treasury management activity to that point, shall be submitted to the Audit and Standards Committee;
 - compile, and the Full Council (or delegated committee) approve, suitable Treasury Management Policies (TMPs). The Executive Director (Resources and Support Services) shall compile and maintain up to date schedules to the TMPs;

- (e) ensure that all treasury management transactions are recorded and that there is an effective division of duties between operations;
 - (f) before the start of each year, ensure compliance with the Prudential Code and that the prudential indicators are compiled and approved by the Full Council via the Capital Strategy;
 - (g) monitor the prudential indicators and report to Full Council any deviations from them; and
 - (h) compile an Investment Strategy, separate to the Treasury Management Strategy, as per guidelines set by (MHCLG) Guidance on Local Government Investments. This will include both treasury and non-treasury investments.
- 3.13.3 All securities which are the property of or in the name of the Council or its nominees shall be held in the custody of the Chief Executive except in the case of externally managed funds which shall be held by an independent custodian approved by the Executive Director (Resources and Support Services).
- 3.13.4 Loans shall not be made to third parties and interests shall not be acquired in companies, joint ventures or other enterprises without the approval of the Cabinet, following consultation with the Executive Director (Resources and Support Services).
- 3.13.5 All trust, charitable and third party funds shall be held, wherever possible, in the name of the Council. All employees acting as trustees by virtue of their official position or otherwise shall deposit all relevant securities, etc with the Chief Executive. The responsible Director shall make arrangements, approved by the Executive Director (Resources and Support Services), for the secure administration of such funds and records, approved by them, shall be maintained of all transactions. All funds dealt with on behalf of such bodies shall be operated within any relevant legislation and the specific requirements of each body.

Explanatory Notes

Treasury Management is defined by the Chartered Institute of Public Finance and Accountancy (CIPFA) as "The Management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks".

Apart from some arrangements in connection with leases of plant and equipment etc, all Treasury Management functions are carried out by the Executive Director (Resources and Support Services) under the direction of the Cabinet.

3.14 BANKING ARRANGEMENTS

- 3.14.1 The Executive Director (Resources and Support Services) shall operate any bank accounts that are considered necessary. No bank accounts shall be opened without the approval of the Executive Director (Resources and Support Services).
- 3.14.2 Payments and receipts shall be made and received electronically wherever possible. Payments via direct debit or standing order must be approved in advance by the [Head of Finance](#)~~Executive Director (Resources and Support Services)~~.
- 3.14.3 Payments by cheque shall only be in extreme circumstances. All cheques drawn on behalf of the Council shall be signed personally by the Executive Director (Resources and Support Services), or their designated authorised employee.
- 3.14.4 The Executive Director (Resources and Support Services) shall be responsible for:
- (a) making arrangements with regard to any payments from the Council's bank accounts by means of cheques or any other method;
 - (b) all arrangements concerning the amendment, stopping, opening and cancellation of cheques.

Explanatory Notes

The Executive Director (Resources and Support Services) is responsible for organising the Council's banking arrangements and only authorised signatories can sign Council cheques.

To maximise efficiency and reduce costs all transactions should be made via electronic means. In doing this the controls in relation to electronic systems have to be considered to ensure that risks are managed and minimised to prevent the possibility of fraud. Only in urgent cases can a cheque be manually issued. Due to the nature of the cheques clearing process 'urgent' instances should be minimal, with electronic payment methods being able to transfer funds instantly in some circumstances.

To combat the possibility of fraud, close supervision must be exercised over the supply, custody, preparation, signing and despatch of cheques. Procedures for amending, stopping, opening and cancellation of cheques must be tightly controlled.

It is Council policy not to issue open cheques. Persons requesting this should be informed of the policy and told to make appropriate arrangements themselves to receive value for the cheque, for example by opening a bank account. In very exceptional circumstances it may be possible to arrange for a cash payment to be made to such persons instead of the cheque but these cases must be "one-off" only not recurring.

3.15 STAFFING

3.15.1 The Executive Director (Resources and Support Services) shall ensure that budget provision exists for all existing and new employees included on the approved establishment list. ~~The budget will not include vacancies for which there is no budget provision.~~

3.15.2 The Head of People and Organisational Development ~~Human Resources~~ shall:

- (a) Compile and keep up to date an establishment list. A unique reference number shall identify each post included on the list. The list shall show, for each post, the grade applicable to that post and the name of the employee currently filling that post. (Where a post is not presently filled, substituting "vacant" for the employee's name shall indicate this). The list shall be set out according to the Council's current departmental structure;
- (b) act as an advisor to Directors on areas such as National Insurance and pension contributions, as appropriate.
- (c) Compile and keep up to date a Corporate Workforce Development Plan, which shall be approved by the Cabinet.
- (d) Compile and keep up to date a Pay Policy Statement in accordance with Section 38 of the Localism Act 2011. This Statement will be submitted annually to Full Council for approval and published on the Council's internet site.

3.15.3 Directors shall:

- (a) ensure that the personnel estimates are an accurate forecast of staffing levels and are equated to an appropriate revenue budget provision (including on-costs and overheads);
- (b) monitor employee activity to ensure adequate control over such costs as sickness (where the Council's Absence Management Procedures must be applied), overtime, training and temporary employees (the procedures for the employment of agency staff, issued by the Head of People and Organisational Development ~~Human Resources~~ must be followed where such staff are to be engaged);
- (c) ensure that the personnel estimates are not exceeded without due authority and that they are managed to enable the agreed level of service to be provided;
- (d) ensure that the Executive Director (Resources and Support Services) is immediately informed if the personnel estimate is likely to be materially over or underspent;
- (e) ensure that employees are appointed only to posts included in the Council's establishment list and for which adequate budget provision has been made to meet the costs of employing such employees;
- (f) have regard to the Corporate Workforce Development Plan;
- (g) follow the Council's recruitment procedures;
- (h) apply the Council's Capability Procedures in relation to individual posts and staff occupying those posts.

3.15.4 The Executive Director (Resources and Support Services) shall authorise all employee settlements, pension strain payments, payments in accordance with the Mutually Agreed Resignation Scheme ~~applications~~ and gratuities in conjunction with the Head of People and Organisational Development and the Pay Policy Statement.

Explanatory Notes

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

The key controls for staffing are that:

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

PR4: FINANCIAL SYSTEMS AND PROCEDURES

4.1 General

- 4.1.1 The Executive Director (Resources and Support Services) shall make arrangements for the proper administration of the Council's financial affairs, including to:
- (a) issue advice, guidance and procedures for employees and others acting on the Council's behalf;
 - (b) determine the accounting systems, form of accounts and supporting financial records;
 - (c) establish arrangements for audit of the Council's financial affairs;
 - (d) approve any new financial systems to be introduced and approve any changes to be made to existing financial systems.
- 4.1.2 Directors shall ensure:
- (a) that accounting records are properly maintained and held securely;
 - (b) that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the Head of Finance;
 - (c) in respect of any financial system employed by incorporating appropriate controls, that:
 - (a) all input is genuine, complete, accurate, timely and not previously processed;
 - (b) all processing is carried out in an accurate, complete and timely manner;
 - (c) output from the system is complete, accurate and timely.
 - (d) 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;
 - (e) that all systems are documented and employees required to operate them are trained in their operation;
 - (f) that a complete management trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained;
 - (g) that no existing financial system shall be changed or new system introduced without consulting the Executive Director (Resources and Support Services).

4.2 Delegation

- 4.2.1 Directors shall supply, in writing or by electronic means, names of authorised employees, with delegated limits and, where requested, specimen signatures to the Executive Director (Resources and Support Services), together with subsequent variations, in respect of payments, income collection and placing orders, including requisitioning.

4.3 Information Security

- 4.3.1 Directors shall take all necessary action to ensure compliance with the Council's Information Security Management Policies, including to:
- (a) ensure that there is a documented and tested disaster recovery plan to allow critical information system processing to resume quickly in the event of an interruption;
 - (b) ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information shall be securely retained, electronically at an alternative location;
 - (c) ensure that where, appropriate, computer systems are registered in accordance with data protection legislation and that employees are aware of their responsibilities under that legislation;
 - (d) ensure that relevant standards and guidelines issued by the Executive Director (Resources and Support Services) via the Information Security Group are observed;
 - (e) ensure that software and computer equipment including all mobile computer equipment and telephony are protected from loss and damage through theft, vandalism, etc; and

- (f) comply with the copyright, design and patents legislation, in particular to ensure that only software legally acquired and installed by the Council is used on its computers, that employees are aware of legislative provisions and that in developing systems due regard is given to the issue of intellectual property rights
- (g) ensure that all unwanted ICT equipment is returned to ICT for secure disposal.

4.3.2 Directors shall have regard to the requirements of the Public Services Network (PSN) and the Government Security Classification Scheme (GSC) in relation to information security and shall take all necessary action to ensure compliance with the directives in all respects, as notified to them by the Executive Director (Resources and Support Services) and the Head of Customer and [Digital](#)ICT Services.

Explanatory notes

The key controls for systems and procedures are:

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

The Government has published a PSN Code of Connection (CoCo) which all public authorities who transmit or receive data to or from central government departments must comply with. The Code sets out standards and procedures relating to information security which must be complied with, otherwise the Council will not be permitted to exchange electronic data with any government departments. It is, therefore, absolutely essential that the Council complies with the Code in all respects.

Income and Expenditure

4.4 Recording and notification of sums due

- 4.4.1 The collection of all monies due to the Council shall be under the control of the Executive Director (Resources and Support Services).
- 4.4.2 The Executive Director (Resources and Support Services) in conjunction with the Director concerned shall make and maintain adequate arrangements to ensure the proper recording of all sums due to the Council and for its prompt collection and the custody, control, and deposit, of all money received, and for the prompt and proper accounting of such money.
- 4.4.3 Directors shall ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded
- 4.4.4 The Chief Executive, or Directors where appropriate, shall inform the Executive Director (Resources and Support Services) as soon as possible of all monies due to the Council under contracts, leases, tenancy agreements, licenses, agreements for sales of property and any other agreements involving the receipt of monies by the Council. They shall also review leases, tenancy agreements, licences and any other agreements, which involve the receipt of money, at regular and reasonable intervals. The Executive Director (Resources and Support Services) shall have the right to inspect any documents or other evidence in connection with such matters.
- 4.4.5 The Executive Director (Resources and Support Services) shall be informed whenever significant expenditure is likely to occur in an area of activity that generates VAT exempt income and whenever a new or a one-off source of VAT exempt income is to be generated.
- 4.4.6 Cash payments ~~in excess of £2,000~~ will not be accepted by the Council. ~~Cash payments below £2,000 will not be accepted at Castle House as no collections will be arranged.~~
- 4.4.7 All Directors shall ensure that employees involved in handling payments are aware of and comply with the Money Laundering Guidance.
- 4.4.8 All claims for reimbursements, contributions, grants etc. shall be made by the Executive Director (Resources and Support Services), or by arrangement with them, by the appropriate Director. Any information required for the completion of such claims shall be supplied promptly to the Executive Director (Resources and Support Services) or to their Grant Coordinator by the Director concerned. All such claims shall be made promptly and

by the due dates and the Executive Director (Resources and Support Services), or other Director, where the claim was made by them, shall ensure that all monies due to the Council are received.

4.5 Separation of Duties

- 4.5.1 Directors shall ensure that the responsibility for cash collection should be separated from that:
- (a) for identifying the amount due;
 - (b) for reconciling the amount due to the amount received.

4.6 Receipts

- 4.6.1 Employees shall only give a receipt for money received on behalf of the Council on the official receipt form or in the event of electronic transactions by providing a receipt transaction number, no other form of receipt shall be used. Where a receipt is not required for a payment, no receipt will be issued but a separate record shall be kept of all such payments.
- 4.6.2 Every transfer of money from one employee to another shall be evidenced in the records of the Departments concerned. The receiving employee must sign for the transfer and the transferor must retain a copy.

4.7 Money Received

- 4.7.1 Income shall not be used to cash personal cheques or other payments.
- 4.7.2 Where cheque payments are presented personally, the receipting employee shall ensure that a cheque guarantee card supports such payments. They shall also ensure:
- (a) that the card holder signs the cheque in the presence of the receipting employee, who must ensure that the signature corresponds with that on the cheque card;
 - (b) that the code number shown on the cheque guarantee card is the same as that shown on the cheque;
 - (c) that the receipting employee personally writes the card number on the reverse of the cheque;
 - (d) that the amount of the payment does not exceed the limit shown on the face of the card;
 - (e) that the card expiry date has not passed.

Exceptions to this process will only be allowed where there is an account raised for the debt or with the written approval of the Executive Director (Resources and Support Services).

- 4.7.3 All cheques received shall be made payable to "Newcastle Under Lyme Borough Council". All bank payments must be into the Council's General Fund Account or other account if specified by the Executive Director (Resources and Support Services).
- 4.7.4 Receipts, in excess of £10,000, and any bank payments from unknown or overseas banks shall be evaluated and evidenced to ensure the legitimate source of the funds.

4.8 Payment by Credit and Debit cards

- 4.8.1 Directors shall consult with the Executive Director (Resources and Support Services) before introducing facilities for payment by credit or debit cards.
- 4.8.2 All operational and commission costs relating to facilities for payment by credit and debit cards are to be met from the budget of the department offering the facilities, payments made by credit cards will not be subject to a charge.
- 4.8.3 Payments shall only be collected for credit income at establishments authorised by the Executive Director (Resources and Support Services) and on systems approved by them. This includes payments over the Internet via the Council's website which will be permitted subject to the approval of the Executive Director (Resources and Support Services). Credit income includes council tax, business rates and debtors accounts.
- 4.8.4 Payments will not be accepted by this method where the Council acts as a collecting agent on behalf of another organisation unless all associated processing fees are met by the body concerned.

- 4.8.5 Where the cardholder is present for payment by credit and debit cards, the receiving employee shall ensure that:
- the card holder presents a valid pin number, or present a card capable of contactless payment if the transaction value is less than the upper limit (currently £30);
 - that the amount being paid has been authorised independently through the bank's terminal where the amount exceeds the level set by Council for credit cards and debit cards;
 - the cardholder is given a receipt from the authorising terminal as proof of payment and as well as the official receipt from the Council;
 - that the expiry date on the card is still valid;
 - payment by this method should be rejected if the card has expired, the signature is not comparable, or the PIN is not recognised.

Exceptions to this process will only be allowed with the written approval of the Executive Director (Resources and Support Services).

- 4.8.6 A cash back facility shall not be available.
- 4.8.7 The Council must comply with the Payment Card Industry (PCI) Data Security Standards (DSS) and ensure the security of sensitive customer information. This specifically relates to merchant receipts produced from payment card machines. All staff involved in taking debit or credit card payments must adhere to the Council's Procedure for the Handling of Merchant Receipts and Customer Card Details.

4.9 Direct Debit Collection

- 4.9.1 Payments of sums due may be collected by means of Direct Debit only with the prior approval of the Executive Director (Resources and Support Services)
- 4.9.2 The Revenues Manager shall:
- process direct debit transactions for all departments in the Council (with the exception of Leisure Gym memberships);
 - process Direct Debit information within 48 hours (excluding weekend and bank holidays);
 - during processing, identify issues that will prohibit the collection of monies;
 - rectify any issues that will stop payment on the Direct Debit mandate;
 - set up Direct Debits on the customer's account;
 - set up Direct Debit collections to be made on 1st or 15th of the month for sundry debtors, on the 3rd, 15th or 25th of the month for Council Tax and on the 3rd of the month for National Non-Domestic Rates;
 - transmit claims to the bank and collect all of the returns reports, forwarding to Departments where necessary;
 - carry out recovery procedures for all departments in the Council (with the exception of Leisure Gym memberships) to ensure arrears are collected.
- 4.9.3 The Head of Leisure and Cultural Services (in respect of Direct Debit Collection arranged through the Leisure departmental system) shall:
- ensure that Leisure and Cultural Services have a unique originators number;
 - process Direct Debit information within 48 hours (excluding weekend and bank holidays);
 - during processing identify issues that will prohibit the collection of monies;
 - rectify any issues that will stop payment on the Direct Debit mandate;
 - set up Direct Debits on the member's account;
 - set up Direct Debit collections to be made on 1st or 15th of the month;
 - request BACS and AUDDIS returns to identify customer arrears and automatically update membership database (where applicable), disabling access to the facilities until any payment due in line with their membership terms is received;
 - request reports on payments collected and payments defaulted;
 - ensure arrears are collected.

4.10 Security

- 4.10.1 Directors shall:

- (a) hold securely unused receipts, tickets and other records of income. Used receipts, tickets and other records of income shall be held securely for the appropriate period as specified by the Executive Director (Resources and Support Services);
- (b) lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.

4.11 Banking

- 4.11.1 Directors shall ensure, by arrangement with the Executive Director (Resources and Support Services), that all money received on behalf of the Council in any Department or Establishment is deposited directly with the Council's bankers.
- 4.11.2 For the purpose of paying money to the Council's bankers, the Executive Director (Resources and Support Services) shall provide a paying in book for the use of the employee; no other paying in stationery shall be used.
- 4.11.3 Every employee paying money to the Council's bankers shall enter on a paying in slip and on the counterfoil or duplicate, particulars of such payment, including in the case of each cheque paid in:
 - (a) the amount of the cheque;
 - (b) some reference (such as the number of the receipt given or the name of the debtor) which will connect the cheque with the debt or debts in discharge or partial discharge of which it was received.
- 4.11.4 All money shall be deposited not less than weekly or such longer periods as may be arranged with the Executive Director (Resources and Support Services). Except that whenever receipts in hand exceed the amount set by Council, or such other sum as may be specified by the Executive Director (Resources and Support Services), they shall be deposited without delay.
- 4.11.5 Money collected and deposited shall be reconciled to the Council's bank account on a regular basis by an employee not involved in the collection or banking process.

4.12 Records

- 4.12.1 The Executive Director (Resources and Support Services) shall agree arrangements for the collection of all income due to the Council and approve the procedures, systems and documentation for its collection. Every employee who receives money on behalf of the Council shall comply with these arrangements.
- 4.12.2 All official receipt forms, books or tickets shall be in a form approved by the Executive Director (Resources and Support Services). All such forms, books or tickets and licenses, for which fees are chargeable, shall be ordered, controlled and issued to all departments by the Head of Customer and [Digital ICT Services](#). All receipts and issues thereof shall be properly recorded and acknowledged and controlled to the satisfaction of the Executive Director (Resources and Support Services).
- 4.12.3 Directors shall, as soon as possible after the 31st March in each year, and in all cases within the timescale set, supply to the Executive Director (Resources and Support Services) schedules of all amounts outstanding where a debtors account has not been raised, in excess of the amount set by Council, or such other sum as specified by the Executive Director (Resources and Support Services), relating to their department for the previous financial year. Such schedules shall be in a form prescribed by the Executive Director (Resources and Support Services).

4.13 Issue of Debtors Accounts

- 4.13.1 Directors shall:
 - (a) promptly notify the Executive Director (Resources and Support Services), in a form approved by them, of all sums due. Debtors' accounts shall be raised by the Executive Director (Resources and Support Services)

in all cases unless arrangements have been agreed in writing between the Executive Director (Resources and Support Services) and the relevant Director for accounts to be sent out directly from Departments/ Establishments. In these cases a copy of each account must be forwarded to the Executive Director (Resources and Support Services);

- (b) assist the Executive Director (Resources and Support Services) in collecting debts that they have originated, by providing any further information requested by the debtor;
- (c) take all practical steps to satisfy themselves as to the correct VAT treatment of their income and shall consult with the Executive Director (Resources and Support Services) when in doubt.

4.13.2 Debtors accounts shall not normally be issued for amounts less than a limit to be determined by the Council. In such cases Directors shall arrange for payment to be made before supplies/ services are supplied unless alternative arrangements are agreed with the Executive Director (Resources and Support Services).

4.13.3 There shall be no Cancellation of accounts except by full payment or final write off.

4.13.4 A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.

4.14 Recovery procedures

4.14.1 The Executive Director (Resources and Support Services) will establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.

4.14.2 Directors shall assist the Executive Director (Resources and Support Services) in carrying out these recovery procedures by providing any information or assistance requested.

4.15 Write offs

4.15.1 No debtor's account or part thereof due to the Council shall be written off unless authorised as follows:

- (a) for accounts not exceeding the financial limit established by the Council, by the Executive Director (Resources and Support Services) in consultation with the [appropriate Director/Portfolio Holder for Finance and Efficiency](#);
- (b) for accounts exceeding the financial limit established by the Council, by resolution of the Cabinet on the recommendation of the Executive Director (Resources and Support Services) in consultation with the appropriate Director.

4.15.2 The Executive Director (Resources and Support Services) shall:

- (a) make appropriate accounting adjustments following write off action;
- (b) define timescales within which write off action must occur.

4.16 Fees & Charges

4.16.1 All fees and charges levied or made shall be in accordance with the Council's current approved scale of fees and charges and the law.

4.16.2 Directors shall review at least annually all fees and charges for which they are responsible and report to the Cabinet which shall approve or otherwise the proposals.

4.16.3 Directors shall apply the Charging Policy when setting fees and charges. Where the policy is not met, valid and acceptable reasoning must be given.

4.16.4 [Any revisions to fees and charges or new fees and charges during the year can be added with the approval of the relevant Portfolio Holder and Head of Finance.](#)

4.17 Changes in Sources of Revenue

4.17.1 Any proposal made by a Director concerning recommended charges for new or significant variations to existing sources of revenue shall be subject to a report to the Cabinet which shall include the comments of the Executive Director (Resources and Support Services).

Explanatory Notes

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 supplies or services as this improves the Council's cashflow and also avoids the time and cost of administering debts.

Collection and Accounting for Income

Directors, in consultation with the Executive Director (Resources and Support Services), are responsible for establishing and maintaining the financial arrangements necessary to ensure proper and accurate recording of sums due to the Council, and for the prompt collection and banking of such monies.

Where cash is received or people are present when making a payment a receipt is issued. In the case of non-cash payments, or where the person is not present i.e. payment through the post, over the telephone or internet, receipts are issued if requested or a transaction number is provided

Issue of Debtors Accounts

The limit set by the Council below which it is considered uneconomic to normally issue a debtors account is shown in the monetary amounts table. Accounts currently raised directly are crematorium, cemetery accounts and car park penalty charge notices. The Executive Director (Resources and Support Services) still needs to be informed of the details for possible recovery action, write off information and year end information on accounts outstanding.

Debtor Account Write Offs

The limit set by the Council, to operate from the adoption of these Financial Regulations, above which Directors must seek Cabinet approval is set in the monetary amounts table. Below this the Director needs the approval of the Executive Director (Resources and Support Services).

VAT

Particular care must be taken in the preparation of debtors accounts to ensure compliance with VAT regulations, given the ability of H M Revenue and Customs to impose fines for non-compliance on both the Council and in extreme cases individual employees. If an employee has any doubt about the VAT liability in relation to a particular debtor's account he should contact the Executive Director (Resources and Support Services).

Local authorities are limited as to the amount of VAT they can incur on expenditure that is connected with income generating activities that are exempt of VAT. Activities that fall into this category are: cremation; sports lessons and land transactions (i.e. sales of land, commercial rents, hire of rooms, letting of market stalls and long term hire of sports facilities). The Financial Management Section has to monitor expenditure on such activities to ensure that it remains within limits set by H.M. Revenue and Customs. Where an employee is aware that significant expenditure (i.e. over and above normal running costs) is to occur on one of the above categories, they should contact the Executive Director (Resources and Support Services). Employees should also contact the Executive Director (Resources and Support Services) when the Council is to sell land or when a new source of VAT exempt income is to be generated e.g. new industrial units.

New Projects

Where a new project is going to bring in additional income or an existing project is changing significantly, i.e. being upgraded to provide a better level of service, the repercussions on income shall be reported to the Cabinet.

Charging Policy

The Charging Policy sets out the principles to be applied in setting fees and charges and these should be followed when doing this.

4.18 Requisitioning and Ordering of Work, Supplies and Services

- 4.18.1 Every employee and Member of the Council has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the Council, in accordance with appropriate codes of conduct.
- 4.18.2 Each order must conform to the guidelines approved by the Full Council on procurement. Standard terms and conditions must not be varied without the prior approval of the Executive Director (Resources and Support Services).
- 4.18.3 Requisitions, orders and associated terms and conditions shall be made via the FIMS except where 4.18.10 applies. They shall be issued for all works, supplies and services except for:
- (a) supplies of public utility services;
 - (b) periodical payments, e.g. rent;
 - (c) petty cash purchases; and
 - (d) other exceptions agreed and authorised in writing by the Executive Director (Resources and Support Services).
- 4.18.4 No other order shall be recognised by the Council and orders produced by FIMS will be raised automatically following the approval of the requisition. Orders may be printed for despatch to suppliers or transmitted to them electronically (the latter being the preferred method).
- 4.18.5 Requisitions shall be initiated on the FIMS and shall clearly indicate:
- (a) the nature of the purchase;
 - (b) the quantity required;
 - (c) any contract or agreed prices relating to the purchase;
 - (d) in relation to contracts, the amount of retention money to be withheld;
 - (e) the delivery date when specified and location; and
 - (f) the charge code.
- 4.18.6 The approval of a requisition shall be by an employee authorised by the Director and via the FIMS. Approval of a requisition shall lead to its conversion into an order against which, if all details match and goods have been received and recorded as such on the FIMS, payment will be made automatically on receipt of the invoice. No other approval will be required.
- 4.18.7 Requisitions and orders in excess of £50,000 shall require authorisation by [a member of the Executive Management Team](#) ~~Chief Executive or the Executive Director (Resources and Support Services)~~.
- 4.18.8 The Director shall:
- (a) ensure that only those employees authorised by them approve requisitions electronically, or in the event of the FIMS not being available sign emergency orders;
 - (b) maintain an up-to-date list of such authorised employees identifying in each case the limits of their authority which is to be stated on the completed online Civica new user form;
 - (c) notify all authorisations in writing to the Executive Director (Resources and Support Services) by way of completing the online Civica new user form;
 - (d) ensure that unique numbered official orders are used for all supplies and services. (Other than the exceptions specified in 4.17.1);
 - (e) ensure that requisitions and orders are only used for supplies and services provided to the Council for its own use or that of approved partnerships. Employees must not use official requisitions or orders to obtain supplies or services for their private use;
 - (f) ensure that product information is inserted and maintained regularly within the FIMS for which they are responsible and that the correct tax codes are applied to products.
- 4.18.9 The authoriser of the requisition or order must be satisfied that the supplies and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders [\(via either an open procurement process or use of a compliant framework \(further competition or direct award\)\)](#) have been obtained if necessary. Value for money should always be achieved. The Director is responsible for the control and security of unused order books retained for emergency purposes within their service.

- 4.18.10 Where, as a consequence of the situation of using the Council's Business Continuity Procedure, supplies or services have to be ordered verbally (without using FIMS) a confirmatory order, marked as such, shall be issued as soon as possible.
- 4.18.11 Where, goods are ordered from a safe internet site and subject to settlement at a later date, an official order number shall be quoted and a confirmatory order, marked as such, shall be issued promptly.
- 4.18.12 Each order shall conform with the Contract Procedural Rules and to any other relevant directions of the Council with respect to central purchasing, standardisation of supplies and materials and any other matters.
- 4.18.13 No commitment to purchasing items where there is an approved corporate purchasing policy, even if provided for in an approved budget, shall be undertaken without prior agreement with the appropriate section to ensure that the policy is complied with. No commitment to purchasing items where there is an approved purchasing officer responsible for that type of product shall be undertaken without prior agreement with the relevant officer to ensure that any agreement is complied with, e.g. printing & publicity and stationery (other than that used in connection with a specialised system or equipment). In particular all proposed procurement of Information and Communications Technology equipment must be approved by the Head of Customer and [Digital/ICT Services](#) in advance including arranging demonstrations relating to that equipment.
- 4.18.14 All product groups shall have designated owners and only they shall update and maintain the FIMS for those products. All product owners shall identify the correct VAT codes against the products. Where product catalogues and market places are identified and are available electronically these shall be used in preference to manual sources.
- 4.18.15 Orders shall clearly indicate:
- (a) the nature of the purchase;
 - (b) the quantity required;
 - (c) any contract or agreed prices relating to the purchase;
 - (d) the delivery dates where specified and location;
 - (e) the charge code; and
 - (f) the address to which an account must be sent, which shall be the central address for invoices.
- 4.18.16 The issue of "open" orders will not be permitted unless prior written approval has been obtained from the Executive Director (Resources and Support Services).
- 4.18.17 Directors shall ensure that the department obtains value for money from purchases by taking appropriate steps to obtain competitive prices for supplies and services of the appropriate quality.
- 4.18.18 The limits will be those as specified by the Cabinet that apply to quotations in respect of orders for works, supplies and services as set out in these regulations in the monetary amounts table.
- 4.18.19 In the absence of any good reason to the contrary, which should be clearly indicated on file, the lowest quotation shall be accepted.
- 4.18.20 In cases where the minimum requirements as set out in 4.18.18 have not been satisfied, the reason for non-compliance shall be clearly indicated on the copy order and invoice.
- 4.18.21 If the works, supplies or services to be supplied consist of emergency repairs to or parts supplied in an emergency for existing machinery or plant, written quotations may not be required.
- 4.18.22 Where orders of a repetitive nature occur and it is likely that the total value will exceed the monetary amount as specified in these regulations in any twelve-month period Financial Regulations and Contract Procedural Rules shall apply.
- 4.18.23 Directors shall ensure that:
- (a) loans, leasing or rental arrangements are not entered into without prior agreement from the Executive Director (Resources and Support Services). This is because of the potential impact on the Council's borrowing powers, to protect the Council against entering into unapproved credit arrangements and to ensure that value for money is being obtained;

(b) two authorised employees are involved in the ordering, receiving and payment process. A different employee from the person entering the electronic requisition should approve it, which will then become an order. A different employee from the person who requisitioned and approved the online order should be involved in the payment process.

4.18.24 Regard should be had to the content of the Council's Procurement Strategy and its Commissioning Framework for the Third Sector in applicable cases.

4.18.25 Only authorised employees of the Council may approve requisitions or orders for goods and services. In exceptional circumstances the Executive Director (Resources and Support Services) may grant approval rights to individuals who are overseeing service areas, but are not directly employed by the Council.

Explanatory Notes

Clearly defined standard procedures for the ordering of supplies and services are essential.

Directors are responsible for ensuring that they have appropriate authority to incur expenditure on behalf of the Council and for clearly defining those employees who have authority to approve requisitions and orders on behalf of the service.

Goods and services should not be ordered, if this would cause a budget estimate to become overspent.

The Council operates an electronic system (part of FIMS) for requisitioning, ordering and paying for goods and services. Accordingly, the approval of a requisition will be the stage at which approval is given for an order to be automatically raised and issued.

Only Council employees can approve requisitions or orders for goods or services. Interim or agency staff or consultants or other persons who are not directly employed may not perform this function unless specific approval has been sought from the Executive Director (Resources and Support Services).

In the event of a system failure it will be necessary to return to a manual ordering system and requisition authorisers under the electronic FIMS will need to sign manual orders. The details of such emergency orders will be uploaded into the FIMS as soon as possible following its revival. Reference to written confirmation orders relates to the despatch of electronic orders where possible in preference to paper copies.

Reference in the regulations is made to authorising the requisition on the FIMS and the order in the case of emergency manual orders.

All invoices must be sent to the central creditors processing team, not to departments or outlying council buildings.

4.19 Contracts

4.19.1 All contracts for supplies or work carried out on behalf of the Council shall be subject to the Council's Contract Procedural Rules. [The Council's Contract Procedural Rules must also be followed when considering a contract extension.](#)

4.20 Works contracts

4.20.1 Each Director shall monitor expenditure under a contract and take such action, as he considers necessary to prevent the final contract sum exceeding that approved unless he certifies such excess is unavoidable. If the final contract sum appears likely to exceed the approved sum, this must be reported to the Cabinet and approval obtained for the additional spending before further payment can be made.

4.20.2 Payments to a contractor shall be made on receipt of an invoice, where interim measurements are to be authorised for payment by the Director, the details of which shall be requested prior to agreement of the submission of the invoice.

4.21 Completion of Contracts

4.21.1 The final invoice on completion of any contract shall not be paid until the appropriate employee or consultant has produced to ~~the Chief Internal Auditor~~ ~~Internal Audit~~ ~~the Head of Audit and Elections~~ a detailed statement of account, all relevant documents required and the provisions of Financial Regulations 4.23.4 and 4.23.5 are satisfied.

4.21.2 ~~Internal Audit~~ ~~The Head of Audit and Elections~~ shall, to the extent that they consider necessary, examine final accounts for contracts and be entitled to make all such enquiries and receive all such explanations as they may require in order to satisfy herself/himself as to the accuracy of the accounts. ~~Internal Audit~~ ~~The Chief Internal Auditor~~ ~~Head of Audit and Elections~~ shall notify, in writing, the appropriate Director (or private architect, engineer, consultant as appropriate) that the examination is complete and that the final payment, less retention can be issued.

4.21.3 Directors shall report to the Cabinet on the final total cost of the contract giving reasons for any variations from the original approved contract amount. This may be done via the schedule of completed schemes referred to in Financial Regulation 2.7.

4.21.4 Where completion of a contract is delayed, the Chief Executive shall be informed by the Director concerned in order that he may take appropriate action in respect of any claim for liquidated damages.

4.21.5 Directors shall request payment of retention monies in writing from ~~Internal Audit~~ ~~the Head of Audit and Elections~~ when they are due.

4.22 Goods and materials contracts

4.22.1 Each Director shall continually monitor expenditure under a contract and take such action as he considers necessary to prevent the contract sum exceeding approved budget limits where these are applicable.

4.23 General and Variations to Contracts

4.23.1 Except after consultation with the Chief Executive an employee shall not authorise work to be commenced or goods to be supplied where such work or goods are to be the subject of a formal contract, entered into between the Council and the Contractor until the Chief Executive has advised such employee that the contract has been signed by the contractor and that the appropriate insurances and bonds have been effected to their satisfaction and the Executive Director (Resources and Support Services) is satisfied that the contractor is financially competent to undertake the contract.

4.23.2 The Chief Executive shall be responsible for keeping in secure custody all contract documents, including plans, specifications, bills of quantities, bonds etc.

4.23.3 Subject to the provisions of the contract and Financial Regulations 4.20 and 4.22, every variation, addition to or omission from, a contract duly authorised shall be notified in writing to the Contractor by the responsible Director. Such authorisations shall, wherever practical be given before the variation etc. is carried out.

4.23.4 No variation order or instruction shall be issued which would cause the expenditure on a project to exceed the amount authorised in relation to that project by the Cabinet under Financial Regulation 4.22 without first seeking and obtaining Cabinet approval.

4.23.5 Claims from contractors in respect of matters not clearly within the terms of an existing contract shall be referred to the Chief Executive for consideration of the Council's legal liability before a settlement is reached and any payment made.

Explanatory Notes

The Council enters into many contracts for the supply of supplies and services and the carrying out of various direct labour works. The Regulations, together with Contract Procedural Rules, are designed to ensure that the Council receives value for money under the contractual arrangements and has appropriate legal recourse in the event of a supplier failing to meet contractual conditions.

It is the responsibility of the Director to arrange for the monitoring, verification and certification of contract payments. The Executive Director (Resources and Support Services) relies on Directors informing them if account payments are to be held back.

The scope for variations to a contract will normally be governed by the terms of the contract. Directors must ensure that the terms are adhered to and/or the supplier/contractor is notified, in writing, of all variations.

Directors must ensure that the appropriate Capital and Revenue budgetary approvals (in accordance with Section B of these regulations) exist where substantial variations to contracts have occurred.

4.24 Paying for Work, Supplies and Services

4.24.1 The Executive Director (Resources and Support Services) shall:

- (a) make all payments on behalf of the Council. The normal method of payment from the Council shall be by BACS or other instrument or approved method, drawn on the Council's bank account by the Executive Director (Resources and Support Services). The use of direct debit [or Standing Order](#) shall require the prior agreement of the [Head of Finance Executive Director \(Resources and Support Services\)](#);
- (b) provide advice and encouragement on making payments by the most economical means, preferably electronic. Directors shall encourage suppliers of supplies and services to receive payment by the most economical means, preferably electronic, for the Council. It is essential, however, that payments made by direct debit have the prior approval of the Executive Director (Resources and Support Services).

4.24.2 Every invoice submitted to the Executive Director (Resources and Support Services) for payment shall be scanned electronically and paid where it matches the goods received amount on the order details on the FIMS. Where a match is not made, the invoice shall require further approval prior to payment in the form approved by the Executive Director (Resources and Support Services). The invoice will be forwarded to the appropriate department to enable it to be coded before requiring authorisation by the relevant Budget Holder.

4.24.3 Directors shall ensure that the department maintains and reviews periodically a list of employees approved to authorise invoices.

4.24.4 In cases where there is no electronic matching of the invoice to the order within the FIMS, the Director whose authorised employee approved the relevant requisition shall be responsible for certifying that the account is properly payable by the Council. They shall submit it to the Creditors and Purchasing Section as soon as possible and in all cases not later than fifteen working days after its receipt, unless they have established that they cannot certify the account given the requirements of Financial Regulation 4.24. Where they cannot certify an account within the fifteen-day period they shall promptly take all action necessary to permit them to certify the account as soon as possible. Where an invoice is disputed, they shall notify the Executive Director (Resources and Support Services) to that effect as soon as practicable.

4.24.5 Every employee should be aware of and comply with "The Late Payment of Commercial Debts (Interest) Act 1998" and the corporate requirement for all invoices to be paid within 30 days of receipt unless different terms are mutually agreed with the supplier. The Council has signed up to the government's "Prompt Payment Code" and, therefore, all practicable action should be taken to ensure that its terms are complied with.

4.24.6 The Executive Director (Resources and Support Services) shall:

- (a) make payments from the Council's funds on the Director's certification by authorised employees that the expenditure has been duly incurred in accordance with financial regulations;
- (b) make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- (c) Make payments where electronic matching of invoices within the FIMS has taken place once the authorised officer has approved and updated FIMS for receipt of the goods and services.

4.24.7 The approval of an invoice for payment via the FIMS, or certification if a manual system is used, shall mean:

- (a) that Contract Procedural Rules and Financial Regulations have been complied with;
 - (b) that the receipt of the invoice has been registered and matched immediately to the electronic order ;
 - (c) that the works, supplies, or services have been carried out or received to the correct quantity and quality and approved as in accordance with the specification and that the prices and discounts (if any) are correct and in accordance with the contract, [quotation tenders, tenders quotation \(via either an open procurement process or use of a framework \(further competition or direct award\)\)](#) or order and the FIMS is updated to reflect this. The system shall only be updated to record receipt of goods and services received if the authorised employee is satisfied with them. Such updating shall take place as soon as practicable by the authorised employee;
 - (d) all payments are made to the correct person, for the correct amount and are properly recorded, regardless of the payment method;
 - (e) that where, in exceptional circumstances, payment has to be made to a supplier/ contractor in advance of the receipt of the supplies or the work being carried out, the Business Improvement Manager and the Chief Executive shall be notified if those supplies/services fail to be provided following payment;
 - (f) that the net amount of the invoice can be met from within an approved estimate;
 - (g) that the invoice is arithmetically correct;
 - (h) that the invoice has not previously been passed for payment;
 - (i) that all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule;
 - (j) that appropriate entries have been made in inventories, stock records, and the asset register as required;
 - (k) that where the invoice includes VAT, it meets the requirements of H M Revenue and Customs, and it is correctly calculated on the account;
 - (l) that in the case of charges for gas, electricity, and water, any standing charges are correct, consumption is charged on the correct tariff and that the consumption recorded is reasonable in the light of previous and present experience;
 - (m) For non-ordered items Directors shall indicate on the FIMS against the appropriate invoice, the expenditure headings to which the invoice should be properly charged and details of the contract against which expenditure is chargeable;
 - (n) that there are no outstanding credit notes which are to be applied against the invoice;
- 4.24.8 All amendments to an invoice, above or below the agreed tolerance levels as approved by the Executive Director (Resources and Support Services), shall be agreed with the supplier in writing by the employee making the amendment. Such amendments shall be made in ink and signed by the employee making the amendment and initialled by the certifying employee if a different person, stating briefly the reason for the amendment if it is not obvious. An employee shall not add any additional item or items to an invoice rendered by a supplier. VAT shall not be adjusted, the invoice must be returned to the supplier for amendment or a credit note obtained.
- 4.24.9 All payments are to be made to subcontractors, as defined by Inland Revenue regulations where the subcontractor is in possession of a valid current registration card or certificate. All suppliers' accounts submitted to the Executive Director (Resources and Support Services) for payment must show that the card or certificate has been examined to ensure that the relevant deductions will be made.
- 4.24.10 Invoices shall not be made out by employees of the Council, except where the payment to be made is in respect of a recurring payment, or another payment for which the supplier will not issue an invoice. In all such cases the invoice made out shall be in a form approved by the Executive Director (Resources and Support Services).
- 4.24.11 The Director shall ensure that all invoices are stamped with the date received in the department. Invoices shall be received directly within the Creditors department. Where this has not occurred then the invoice should be immediately forwarded to the Creditors department for electronic scanning and for matching with the originating order in the FIMS. All invoices received shall be registered within the FIMS to indicate their date of receipt. Payment will only be made if goods/ services received has been updated on the FIMS or otherwise certified by a responsible officer. The Executive Director (Resources and Support Services) may where they consider it appropriate, agree alternative arrangements to these procedures;
- 4.24.12 Each Director shall:
- (a) notify the Executive Director (Resources and Support Services) immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision; and
 - (b) as soon as possible after the 31st March in each year, supply to the Executive Director (Resources and Support Services) schedules of all outstanding accounts for which orders have not been matched within the FIMS, over the amount specified by Cabinet or such other sum as may be specified by the Executive Director

(Resources and Support Services), in respect of the previous financial year. Such schedules shall be in a form, prescribed by the Executive Director (Resources and Support Services).

- 4.24.13 The Executive Director (Resources and Support Services) shall have the right to carry out such additional checks as they consider appropriate in respect of an invoice, either before or after it is paid. In addition, they shall have the right to satisfy themselves that the proper procedure laid down as to the authorising and ordering of supplies and services and the examination of accounts has been properly carried out in the spending department. All explanations and information regarding such invoices and all books and documents relating to them and facilities for inspecting supplies provided or work done shall be provided to them.
- 4.24.14 All payments which include VAT shall be supported by a VAT invoice or receipt.
- 4.24.15 Payments may be made by means of corporate credit cards. All cardholders must be approved by the Executive Director (Resources and Support Services). Where such cards are used, the current Corporate Credit Card Procedures and Terms and Conditions of Use relating to corporate credit cards, issued by the Head of [Finance Audit and Elections](#), must be complied with.
- 4.24.16 Goods and services may also be acquired by means of Procurement Cards (P-Cards). All cardholders must be approved by the Executive Director (Resources and Support Services). Card use will be subject to procedures and terms and conditions of use laid down by the Executive Director (Resources and Support Services), which must be complied with.
- 4.24.17 Only employees of the Council may approve payments in respect of goods and services.

Explanatory Notes

Except for payments out of advance accounts and via authorised corporate credit cards, the Executive Director (Resources and Support Services) makes all payments on behalf of the Council.

Invoices will be received, scanned and registered in the FIMS where they will be paid if they match with an order and the goods/ services are noted as received. In the event that they do not match to orders or receipt of goods and services has not been noted they will be queried with the relevant department which will be required to approve the invoice for payment, to update FIMS with the receipt of goods/services.

Wherever an order has been raised an authorised employee must update FIMS with details of goods received before any payment can be made. Payment of an invoice following goods receipting will be completed automatically if all aspects match.

The procedures and checks to be carried out on invoices are set out in the Financial Regulations. Whilst most invoices will automatically be matched to orders raised, where this is not the case or where the invoice does not match to the order, Directors, via their budget holders, are required to check the accuracy and validity of invoices payable by the Council. They must also ensure that only employees authorised by them certify invoices for payment.

Accurate treatment of VAT on invoices is essential; especially as H M Revenue and Customs can impose fines on the Council for non-compliance with VAT regulations. In extreme cases, H M Revenue and Customs can impose fines on individual employees. Guidance on the correct treatment of VAT can be obtained from the Financial Management Section.

The Executive Director (Resources and Support Services) will agree procedures with Directors on the records to be maintained at departmental level.

The Executive Director (Resources and Support Services) will carry out pre and post payment checks, as they consider necessary.

The Executive Director (Resources and Support Services) needs to be informed of the details of outstanding accounts or creditors (reserves) in order that the year end accounts can be finalised.

Certification – this refers to the checking and approval of invoices manually.

Approval – computerised – this refers to the matching of invoices to order details on the FIMS following the system being updated to confirm receipt of the goods and/or services.

Where corporate credit cards are used, the relevant procedures and terms and conditions applicable to their use must be complied with.

Only Council employees can approve payment in relation to goods and services. Interim or agency staff or consultants or other persons who are not directly employed may not perform this function.

It is important that the Council pays its suppliers promptly. It has, by law, to comply with a requirement to pay them within 30 days of receipt of their invoice (provided there is no dispute) and the Council itself aims to pay local businesses within 10 days. In addition, the Council has signed up to the government's "Prompt Payment Code". This says that we will pay suppliers on time, within their terms without changing them retrospectively and without altering the length of payment for small firms on unreasonable grounds. We must also give clear guidance to suppliers about our payment procedures, have a disputes/complaints system and communicate this to them and we must advise them promptly if there is a reason why an invoice will not be paid.

4.25 Payments to Employees and Members

- 4.25.1 The Head of ~~Finance~~[Human Resources](#) shall make arrangements to:
- pay all salaries, wages, pension benefits, compensation, Members allowances and other emoluments to existing and former employees, properly payable by the Council on the due date;
 - record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions;
 - pay Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 4.25.2 Directors or their authorised employee shall confirm and certify the correctness of information for all appointments, resignations, dismissals, absences from duty, suspensions, secondments, transfers, and changes in remuneration (other than normal increments), of employees. The information shall then be notified to the Head of ~~People and Organisational Development~~[Human Resources](#) in order that records of employment and conditions of service can be maintained.
- 4.25.3 The Head of ~~People and Organisational Development~~[Human Resources](#) shall:
- as soon as possible arrange for the necessary adjustment of any information received under 4.25 that may affect the salaries, wages or emoluments of any employee or former employee;
 - provide advice and encouragement to secure payment of salaries, wages and Members allowances by the most economical means.
- 4.25.4 Directors shall notify the Head of ~~People and Organisational Development~~[Human Resources](#) of all matters affecting the payment of items referred to in 4.25 above as soon as possible and in the prescribed form, subject to special arrangements agreed by the Head of ~~People and Organisational Development~~[Human Resources](#); and in particular of:
- absences from duty for sickness or other reason, apart from approved annual, compensatory and flexitime leave with pay;
 - changes in remuneration, other than normal increments and pay awards and agreements of general application;
 - information necessary to maintain records of service for pension, income tax, national insurance, etc.
- 4.25.5 Directors shall:
- ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule;
 - ensure that appointments of all employees are made in accordance with the Council's policies and the approved establishments, grades and rates of pay and that adequate budget provision is available.
- 4.25.6 All time records shall be in a form approved by the Head of ~~People and Organisational Development~~[Human Resources](#) and shall be certified by the appropriate Director, or their designated employee. Timesheets shall be forwarded to the Head of ~~People and Organisational Development~~[Human Resources](#) in accordance with a timetable prescribed by them.

- 4.25.7 The Executive Director (Resources and Support Services) shall impose such checks on wage records, as they consider desirable.
- 4.25.8 A Director may certify payment of overtime to employees on spinal column point ~~2935~~ and above only where prior approval has been obtained from the relevant Cabinet Portfolio-holder
- 4.25.9 Directors shall:
- (a) ensure that adequate and effective systems and procedures are operated, so that:
 - payments are only authorised to bona fide employees,
 - payments are only made where there is a valid entitlement,
 - conditions and contracts of employment are correctly applied,
 - employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness;
 - (b) ~~provide these~~ send an up-to-date list of the names of employees authorised to sign records to the Head of ~~People and Organisational Development~~ Human Resources, together with specimen signatures with an authorisation structure to be used in the Payroll System "MyView";
 - (c) give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenue and Customs apply a tight definition for employee status, and in cases of doubt, advice should be sought from the Executive Director (Resources and Support Services) and the Head of ~~People and Organisational Development~~ Human Resources;
 - (d) ensure that payments are only allowed through the PAYE system ;
 - (e) ensure that the Head of ~~People and Organisational Development~~ Human Resources is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.

4.26 Allowances to Members, Travel and Subsistence

- 4.26.1 Members shall submit claims for travel and subsistence allowances within two months of the date of the meeting or duty to which the claim relates and, in any event, within one month of the year-end.
- 4.26.2 All claims by Members of the Council shall be made in a form approved by the Executive Director (Resources and Support Services). Claims shall be certified by the Member concerned as a true and correct record and certified as correct by the Chief Executive or their designated employee.

4.27 Travelling and Subsistence Allowance

- 4.27.1 Directors shall provide an authorisation structure to confirm who can:
- (a) certify travel and subsistence claims. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred, and that allowances are properly payable by the Council, ensuring that cost-effective use of travel arrangements is achieved;
 - (b) be responsible for the arithmetical check of travelling and subsistence claims, the accuracy of the mileage claimed, the validity of the journeys undertaken and for ensuring compliance with the Council's car allowance regulations, car leasing scheme and such other decisions of the Council as may be appropriate.
- 4.27.2 The Executive Director (Resources and Support Services) shall rely on the certification of employees authorised by each Director and shall be empowered to pay, on behalf of the Council, all claims so certified. All claims by Employees of the Council shall be made in a form approved by the Executive Director (Resources and Support Services).
- 4.27.3 Employee's' claims must be submitted promptly and those submitted more than six months after the expenses were incurred, will only be paid with the express approval of the Executive Director (Resources and Support Services).

Explanatory Notes

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

The Head of ~~People and Organisational Development~~ *Human Resources* is responsible for the payment of employees on behalf of the Council. Directors are responsible for notifying and certifying to the Head of ~~People and Organisational Development~~ *Human Resources* all information necessary to ensure the correct payment of salaries, wages, etc.

There is a presumption against the payment of overtime to employees on spinal point ~~2935~~ and above. However, the regulation allows exceptions to the rule in extreme circumstances

The ~~Chief Executive~~ *Executive Director (Resources and Support Services)* will pay allowances to Members in accordance with the procedures laid down by regulation 4.26.

Directors are responsible for checking the accuracy and validity of employees' claims for travelling and subsistence allowances and for certifying the claims for payment.

4.28 Taxation

4.28.1 The Executive Director (Resources and Support Services) shall ~~retain responsibility for~~ *complete* all HM Revenue and Customs returns regarding PAYE. ~~Operationally this is carried out by Stoke-on-Trent City Council as part of the Council's Payroll Service Level Agreement and this will be monitored in accordance with the terms and conditions of the Service Level Agreement.~~

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4.28.2 The Executive Director (Resources and Support Services) shall:

- complete a monthly return of VAT inputs and outputs to HM Revenue and Customs;
- provide details to HM Revenue and Customs regarding the construction industry tax deduction scheme;
- provide details to HM Revenue and Customs regarding the Council's liability under Section 53 of the Income and Corporation Tax Act 1970.

4.28.3 Directors shall:

- ensure that the correct VAT liability is attached to all income due and that all VAT recovered on purchases complies with HM Revenue and Customs regulations;
- ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements;
- ensure that all persons employed by the Council are added to the Council's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised staff agency;
- follow guidance on taxation issued by the Executive Director (Resources and Support Services)

Explanatory Notes

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 employees to be aware of their role. Advice in relation to taxation issues affecting payments to employees and members may be obtained from the Head of ~~People and Organisational Development~~ and Head of Finance ~~Human Resources~~.

4.29 Trading Accounts

4.29.1 Except where specifically stated, these financial regulations apply to the activities of trading services.

4.29.2 Directors shall:

- consult with the Executive Director (Resources and Support Services) where a trading activity wishes to enter into a contract with a third party where the contract expiry date exceeds the arrangement previously agreed by the Council. In general, such contracts should not be entered into unless they can be terminated within the main agreement period without penalty;
- observe all statutory requirements in relation to trading activities, including the maintenance of a separate revenue account to which all relevant income is credited and all relevant expenditure, including overhead costs, is charged, and to produce an annual report in support of the final accounts;
- observe all accounting requirements specific to trading accounts. Otherwise, they must ensure that the same accounting principles are applied in relation to trading accounts as for other services;

- 4.29.3 All proposals to establish alternative delivery vehicles (for example community interest companies) shall be subject to consultation with the Executive Director (Resources and Support Services) who shall advise on the financial implications of the proposals, including with regard to taxation, and in relation to the overall financial position of the Council and their comments shall be incorporated in any reports to members thereon.

Explanatory Notes

Trading accounts have become more important as local authorities have developed a more commercial culture. The best value accounting code of practice identifies when authorities are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost.

PR5: EXTERNAL ARRANGEMENTS

5.1 Partnerships

- 5.1.1 Where appropriate, partnerships shall only be entered into with organisations which, in the opinion of the Chief Executive, Executive Director (Resources and Support Services) and the relevant Executive Director:-
- (a) are aware of their responsibilities under the Council's Financial Regulations and Contract Procedural Rules in relation to contracts;
 - (b) ensure that risk management processes are in place to identify and assess all known risks;
 - (c) ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
 - (d) agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;
 - (e) communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.
- 5.1.2 The Executive Director (Resources and Support Services) shall:
- (a) advise on effective controls that will ensure that resources are not wasted;
 - (b) advise on the key elements of funding a project; they include:
 - a scheme appraisal for financial viability in both the current and future years approved by Cabinet;
 - risk appraisal and management ;
 - resourcing, including taxation issues;
 - audit, security and control requirements;
 - carry-forward arrangements.
 - (c) ensure that the accounting arrangements are satisfactory.
- 5.1.3 Directors shall:
- (a) maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the Executive Director (Resources and Support Services)
 - (b) ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared and a pre partnership questionnaire completed as part of an overall evaluation of the partnership controls. This will form part of the control document that shall be approved by the Executive Management Team prior to seeking Cabinet approval;
 - (c) ensure that such agreements and arrangements do not impact adversely upon the services provided by the Council;
 - (d) ensure that all agreements and arrangements are properly documented;
 - (e) provide appropriate information to the Executive Director (Resources and Support Services) to enable a note to be entered into the Council's statement of accounts concerning material items.
- 5.1.4 Regard shall be had to the content of the Council's Code of Practice for Partnerships.

Explanatory Notes

Partnerships are likely to play a key role in delivering positive outcomes and in helping to promote and improve the wellbeing of the area. Councils are working in partnership with others – public agencies, private companies, community groups and voluntary organisations. Councils will still deliver many services themselves, but their distinctive leadership role is to bring together the contributions of the various stakeholders. They therefore need to deliver a shared vision of services based on user wishes.

Councils will mobilise investment, bid for funds, champion the needs of their areas and harness the energies of local people and community organisations. Councils will be measured by what they achieve in partnership with others.

The main reasons for entering into a partnership are:

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

A partner is defined as either:

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

Partners participate in projects by:

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

Partners have common responsibilities:

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

Clear reasons must be provided to Cabinet where the Council is the accountable body in the partnership and yet the regulations in Ea1 are not adopted by the partners.

5.2 External funding

5.2.1 The Executive Director (Resources and Support Services) shall:

- (a) ensure that all funding notified by external bodies is received and properly recorded in the Council's accounts;
- (b) ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements;
- (c) ensure that audit requirements are met.

5.2.2 Directors shall:

- (a) ensure that funds are acquired only to meet the priorities approved in the policy framework by the Full Council;
- (b) ensure that the key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are understood;
- (c) ensure that all claims for funds are made by the due date;
- (d) ensure that the project progresses in accordance with the agreed project plan, timetable or framework and that all expenditure is properly incurred and recorded.

Explanatory Notes

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. Councils are increasingly encouraged to provide seamless service delivery through working closely with other agencies and private service providers. Funds from external agencies, such as the National Lottery, provide additional resources to enable the Council to deliver services to the local community. However, in some instances, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

5.3 Work for third parties

- 5.3.1 The Executive Director (Resources and Support Services) shall give advice with regard to the financial aspects of third party contracts and the maintenance of the contract register.
- 5.3.2 Directors shall:
- (a) ensure that the approval of the Cabinet is obtained where necessary before any negotiations are concluded to work for third parties;
 - (b) maintain a register of all contracts entered into with third parties in accordance with procedures specified by the Executive Director (Resources and Support Services);
 - (c) ensure that appropriate insurance arrangements are made;
 - (d) ensure that the Council is not put at risk from any bad debts;
 - (e) ensure that no contract is subsidised by the Council except where there are justifiable reasons acceptable to the Executive Director (Resources and Support Services);
 - (f) ensure that, wherever possible, payment is received in advance of the delivery of the service;
 - (g) ensure that the relevant department/unit has the appropriate expertise to undertake the contract;
 - (h) ensure that such contracts do not impact adversely upon the services provided for the Council;
 - (i) ensure that all contracts are properly documented; and drawn up using guidance provided by the Business Improvement Manager and that the formal approvals process is adhered to;
 - (j) ensure that proposals are costed properly in accordance with advice provided by the Executive Director (Resources and Support Services);
 - (k) provide appropriate information to the Executive Director (Resources and Support Services) to enable a note to be entered into the statement of accounts.

Explanatory Notes

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

PR6: COMPLIANCE WITH THE LOCAL GOVERNMENT TRANSPARENCY CODE

6.1 Publication of Data

- 6.1.1 Directors shall collate and publish all data which the Code requires to be published in relation to services for which they are responsible within the timescales set out in the version of the Code in force at the time.
- 6.1.2 Where, in order to comply with 6.1.1 above, a Director requires data from another Director, this shall be provided in a timely manner so as to enable the responsible Director to meet the deadlines for publication set out in the Code.
- 6.1.3 The Executive Director (Resources and Support Services) may by agreement ~~agree with Directors that he will~~ publish particular data on ~~their behalf of Directors~~. In such cases, Directors will ensure that they supply all data in a timely manner so as to enable The Executive Director (Resources and Support Services) to meet the deadlines for publication set out in the Code.
- 6.1.4 The Code requires data to be published on the Council's internet site. Accordingly the Head of Communications will ensure that all data supplied to them for publication will be placed on the website in a timely manner in order to comply with the timescales set out in the Code.

- 6.1.5 Regard will be had to Guidance published from time to time by the Local Government Association in respect of data to be published and the format of publication.

Explanatory Notes

The government has issued the Local Government Transparency Code, which sets out data which must be published by local authorities on their internet sites. Data required to be published includes details of payments over £500, property assets details, procurement data, senior officer remuneration and parking information. It is a legal requirement to comply with the Code.

Data must be published within set timescales. Some data must be published quarterly and some annually.

In most cases budget holders responsible for the services for which data must be published will collate the data and supply it to Communications for placing on the website. By agreement with the Executive Director (Resources and Support Services) data supplied by budget holders may be collated by the Financial Management Section and they will arrange for it to be published by forwarding it in its final form to Communications.

Data required for publication must be supplied to the responsible budget holder or Financial Management in a timely manner to enable it to be published in time to meet the Code's timescales.

The Local Government Association has produced Guidance which sets out what data must be published and the format in which publication should be made. An electronic copy of the Guidance may be obtained from the Financial Management Section.

PR7: COMMERCIALISATION GOVERNANCE

7.1 Commercial Strategy Governance

- 7.1.1 Commercial investment decisions linked with the Revolving Investment Fund and Investment Strategy will be taken by full Cabinet in order to achieve the following strategic outcomes:-
- (f) To generate income through commercial activity that can be reinvested in local priorities, services and improvements for ~~our~~ our borough residents.
 - (g) To build strong working relationships with public, private and third sector partners in order to maximise collaboration and generate efficiencies.
 - (h) To embed a commercial culture within the council and ensure that ~~our~~ our Council staff are equipped with the skills they need to operate in a more commercial environment.
 - (i) To support the council in delivering the council plan and growth agenda as a key pillar of the medium term financial strategy and ~~our~~ our goal of financial self-sufficiency.
 - (j) To optimise the council's use of technology and support ~~our~~ our the digital agenda in order to enable new, more efficient and flexible ways of working and interacting with customers and residents.
- 7.2.1 Some changes may be required to the Council's Constitution to enable timely decision making as commercial opportunities present themselves.

Explanatory Notes

The Commercial Investment Strategy will enable the Council's vision for Newcastle-under-Lyme to be a sustainable and business-oriented Council that maximises commercial opportunities in order to deliver long-term benefits for residents of the borough and support the Council's medium-term financial strategy.

This will be achieved through:

- Generation of service efficiencies and new income streams
- Maximising existing revenue streams
- Effective procurement and contract management
- Prudent investment in income generating assets
- Strategic asset development

Funding and resourcing will be through:

- *Generate a return on investment to fund services*
- *Make every penny count*
- *Explore opportunities to share services with other councils*
- *Maximise existing revenue streams*
- *Effective and proportionate risk management*
- *Robust strategic and operational planning*
- *Access to government grants and other funding*
- *Invest to save*
- *Revolving Investment Fund funded from capital receipts and prudential borrowing*
- *Pump priming for initiatives through the Borough Growth Fund*

DEFINITIONS/ GLOSSARY OF TERMS

BACS	Bankers Automated Clearing Services. A system for making payments directly from one bank account to another.
BUDGET HEAD	Every line in the detailed budget book represents a budget head
BUSINESS MANAGER	Means an employee of the Council at the Fourth Tier level, i.e. immediately below the level of Head of Service, currently comprising Business Managers, plus any other employee who may be designated to act in a Business Manager role by the Council.
CASH FIGURES	The cash limits approved by the Cabinet to apply to these Regulations exclude VAT recoverable by the Council
COMMITTEE	Where appropriate this includes Sub Committees and working parties
DIRECTOR	Means an employee who reports directly to the Chief Executive (excluding any employee in the Chief Executive's department) (currently termed Executive Directors) and the Chief Executive and shall include other such appropriate employees as may be designated by the Council as employees, or any employee authorised by a 'Director' to carry out such duties as delegated to the Head of that Service or to a Business Manager within the Service, to whom the definition shall apply. Where Directors are referred to by their specific designation, e.g. Chief Executive, the same meaning applies.
FIMS	Financial Information Management System that incorporates the general ledger and the purchase to pay system, presently Civica Financials
GRANT COORDINATOR	A Member of Accountancy responsible for collating information from Directors in respect of grants due in, payment claims and their supporting evidence
HEADS OF SERVICE	Means an employee of the Council at the Third Tier level, i.e. immediately below the level of Director, currently comprising Heads of Service, plus any other employee who may be designated to act in a Head of Service role by the Council.
INVOICE/ ACCOUNT	The terms invoice and account in relation to payments are interchangeable.
SCRUTINY COMMITTEES	Comprises the following Overview and Scrutiny Committees: •Economy, Environment & Place Scrutiny Committee; •Finance, Assets & Performance Scrutiny Committee; and •Health, Wellbeing & Partnerships Scrutiny Committee.
SECTION 151 OFFICER	The Officer designated by the Council to act in accordance with Section 151 of the Local Government Act 1972 in relation to the financial administration and stewardship of the Council.
SERVICE/ DEPARTMENT	The terms service and department are interchangeable
VIREMENT	Means the permission to spend more money on one budget head to cover unavoidable overspending when this is matched by a corresponding reduction on another head, or heads or combination of heads.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Audit & Standards Committee
09 March 2020

Report Title: Update of Financial Regulations

Submitted by: Head of Finance

Portfolios: Finance and Efficiency

Ward(s) affected: Not Applicable

Purpose of the Report

For Audit & Standards Committee to review the proposed revisions to the Council's Financial Regulations and Procedures and recommend their adoption to Council.

Recommendation

That Audit & Standards Committee recommend to Council that the revised Financial Regulations and Procedures, appended as Appendix 1 hereto, be adopted.

Reasons

The Council's Financial Regulations and Procedures need to be reviewed regularly and revised where necessary so that they reflect the current structure and requirements of the Council.

1. **Background**

- 1.1 Financial Regulations are designed to ensure that the Council's financial affairs are conducted in a proper, standardised and accountable manner. They set out for officers and members the practices and procedures which must be followed when dealing with financial and allied matters.
- 1.2 The Regulations comprise Key Regulations and associated Financial Procedures. The Key Regulations set out the general principles which are to be followed and the Financial Procedures set out in detail the procedures which must be followed. This is in accordance with the best practice format as recommended by the Chartered Institute of Public Finance and Accountancy (CIPFA).
- 1.3 As part of the arrangements to ensure good corporate governance of the Council, a review of the Regulations is carried out on a regular basis. Following this year's review a number of amendments are proposed.
- 1.4 The revised Financial Regulations will be presented to the Constitution and Member Support Working Group on 11 March. Any observations from that Group will, along with the recommendations of this Committee, be reported to Council on 1 April 2020.

2. **Issues**

- 2.1 A full copy of the Regulations, showing the track changes which have been made, is appended to this report.
- 2.2 The main changes are as follows:

Section	Amendment
1.4 and 1.11	A sentence added to reflect that the Financial Regulations need to be submitted to the Audit and Standards Committee prior to being submitted to Council in accordance with the Constitution.
1.19	Noted that the first choice of deputy for the Executive Director (Resources and Support Services) should be the Head of Finance.
1.24	New paragraph entered re Supplementary Estimates
1.4.3	New paragraph entered with a table for Revenue and Capital Virement approval limits to tie in with the new Constitution figures for key decisions.
1.5	New section entered in respect of Supplementary Estimates with a table for Revenue and Capital approval limits to tie in with the new Constitution figures for key decisions.
3.1.2	Reference to The Executive Director (Resources and Support Services) being the Chair of the Corporate Governance Working Group, replaced with the Chief Executive being Chair of the Information Governance Group (IGG) and wording updated to reflect the role of the IGG in resolving issues and providing assurance that risks are being managed in accordance with the Risk Management Strategy.
3.6.3	The Head of Legal and Governance replacing the Head of Audit and Elections as the Council's Monitoring Officer.
3.14.2/ 4.24.1(a)	Responsibility for approving direct debit or standing order transactions changed from Executive Director (Resources and Support Services) to Head of Finance on the basis that they are small in number and generally for insignificant amounts i.e. for annual subscriptions.
3.15.4	A line added to state the Executive Director (Resources and Support Services) shall authorise all employee settlements, pension strain payments, Mutually Agreed Resignation Scheme applications and gratuities in conjunction with the Head of People and Organisational Development and the Pay Policy Statement.
4.16.4	A line added to state that any revisions to existing or any new fees and charges part way through the year can be added to the published Scale of Fees and Charges with the approval of the relevant Portfolio Holder and Head of Finance.
4.18.7	Requisitions and Orders in excess of £50,000 to be approved by a member of EMT (currently only the Chief Executive and Executive Director (Resources and Support Services)) to tie in with the new financial limits/approval criteria in the Constitution.
4.18.9 & 4.24.7(c)	Additional wording to state that quotations or tenders need to be by an open procurement process or compliant framework (either further competition or direct award).
4.19.1	A line added to state "The Council's Contract Procedural Rules must also be followed when considering a contract extension".
4.25 & 4.28.1	Section updated to reflect changes in responsibilities now that the Council has a SLA with Stoke-on-Trent City Council to provide payroll services.
7.1	New section added regarding Commercial Governance.

General	The title Executive Director (Regeneration and Development) changed to Executive Director (Economic Growth and Commercial Development)
General	The title Head of Customer and ICT Services changed to Head of Customer and Digital Services.
General	The title Head of Human Resources changed to Head of People and Organisational Development.
General	Removal of the role Head of Audit and Elections with responsibility passing to the Head of Legal and Governance, Chief Internal Auditor or the Head of Finance depending on the item.

3. **Legal and Statutory Implications**

3.1 There are no specific legal implications arising.

4. **Financial and Resource Implications**

4.1 There are no specific financial implications arising.

5. **Major Risks**

5.1 There are none.

6. **List of Appendices**

6.1 Appendix A – Financial Regulations – Tracked Changes

7. **Background Papers**

7.1 There are none.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL



EXECUTIVE MANAGEMENT TEAM'S
REPORT TO AUDIT AND STANDARDS COMMITTEE

01 May 2020

Report Title: Review of Scheme of Delegation for Local Government (Miscellaneous Provisions) Act 1976 and Town Police Clauses Act 1847

Submitted by: Head of Environmental Health Services

Portfolios: Finance & Efficiency

Ward(s) affected: Not Applicable

Purpose of the Report

To consider a proposed amendment to the scheme of delegation in respect of taxi and private hire licensing. The amendment would allow officers to deal with certain types of applications received that are not fully compliant with the current licensing policy.

Recommendation

That Committee supports and recommends to Council the proposed amendments to the scheme of delegation.

Reasons

To improve efficiency in dealing with non-compliances with the taxi licensing policy.

1. **Background**

- 1.1 Licensing and Public Protection Committee (LPPC) has many delegated functions including the power to make decisions in respect of hackney carriage and private hire drivers, vehicles and operators which are not in full compliance with the Councils current 'Taxi and Private Hire Policy 2019'.
- 1.2 Officers of the Council also have specific delegated functions for the issuing of licences which are in compliance with the Councils current 'Taxi and Private Hire Policy 2019'. In addition, officers have delegated responsibilities to undertake some enforcement activities.
- 1.3 Members at the LPPC on 8th January 2020 requested officers to review delegated powers in respect of non-compliance with the Taxi Policy 2019 to improve efficiency in dealing with certain types of non-compliances.

2. **Issues**

- 2.1 Committee business, particularly in respect of the Local Government (Miscellaneous Provisions) Act 1976 and the Town Police Clauses Act 1847, is high and there is an element of core business relating to some breaches of the Taxi Policy.

- 2.2 The area of concern for LPPC members relates to the volume of business taken before sub-committees to consider licence applications where there are aged or relatively minor issues which, whilst technically amounting to a non-compliance with policy, aren't always sufficient to justify a refusal to grant the licence sought.
- 2.3 LPPC Members have frequently found themselves considering lengthy agendas populated with such matters on account of the way in which the delegations are currently set out. They expressed a desire for that issue to be considered with a view to altering the delegations to provide greater flexibility for such matters to be dealt with at Officer level.
- 2.4 In the current scheme of delegation, the following is detailed:

Detail	Responsibility
Power to grant, renew and transfer Private Hire and Hackney Carriage: Vehicle Licences, Driver Licences and Operators NOT in compliance with policy.	Public Protection Committee or Public Protection Sub Committee

- 2.3 It is proposed that the delegation is amended to the following (additional text underlined):

Detail	Responsibility
Power to grant, renew and transfer Private Hire and Hackney Carriage: Vehicle licences, Driver licences and Operators NOT in compliance with policy	Public Protection Committee, Public Protection Sub Committee <u>or Executive Director (Operational Services)/Head of Environmental Health in agreement with the Chair and Vice Chair of Public Protection Committee.</u>

- 2.4 This proposed amendment to the scheme of delegation requires a change to the Constitution so there is a requirement to seek the views of the Constitution and Member Support Working Group (CMSWG) and the Audit & Standards Committee (A&S).
- 2.5 CMSWG, on 17 March 2020, considered and supported a proposal to allow further delegation to officers by enabling the LPPC to set and amend its own local scheme of delegation. However, since that meeting a more efficient approach has been identified, which is described below.
- 2.6 CMSWG members have been consulted on the revised approach and, to date, the Conservative, Labour and Liberal Democrat members have expressed themselves supportive of the revised approach. The views of the Independent member of CMSWG will be reported verbally to A&S on 1 May 2020. The Portfolio Holder is also content with what is proposed below.
- 2.7 LPPC will consider the proposal on 27 April 2020 and its views will also be reported to A&S on 1 May 2020.
- 2.8 The A&S committee will be consulted on these proposals at meeting on 1 May 2020 and the views of A&S, CMSWG and LPPC will be reported to the next full Council meeting through a recommendation that Council amends the scheme of delegation to achieve the flexibility sought.

3. **Options Considered**

- 3.1 There are numerous options available in respect of the Scheme of Delegation. These would include:
- 3.1.1 Delegating all functions to Officers;
 - 3.1.2 Creating a set of bespoke delegations in the Constitution for Committee, Sub-committee and Officers commensurate with roles and responsibilities.
 - 3.1.3 Allow the Licensing and Public Protection Committee to establish (and amend from time to time) its own scheme of delegation down to officers.
- 3.2 After very careful consideration, it is considered that none of these alternative options strike the optimal balance achieved by the proposal set out below, namely the balance between ensuring that only appropriate business comes before the sub-committee, whilst maintaining strong member oversight of the types of cases delegated to officers to determine.

4. **Proposal**

- 4.1 Where an application of the type contemplated here is received, the flexibility introduced by the proposed change to the scheme of delegation set out at paragraph 2.3 above would allow a new process to be applied. The way the new process would work is as follows.
- 4.2 Officers would write a short summary of the application, the issue that has arisen which renders the application in breach of policy and the rationale for why, in their professional opinion, there is sufficient grounds to exercise discretion and grant the application notwithstanding the breach of policy identified. That analysis would be shared with both the Chair and Vice Chair of the Licensing & Public Protection Committee.
- 4.3 If both the Chair and Vice Chair were in agreement, the matter would stand delegated to officers to decide under the new text proposed in paragraph 2.3 above. If either or both the Chair and Vice Chair were not in agreement then the matter would be referred for consideration at a hearing before the sub-committee in the usual way.
- 4.4 Applications which clearly warrant a refusal, those which were judged to be “borderline” and those which officers and/or the Chair and Vice Chair were not entirely comfortable with officer delegations applying would all be referred to the sub-committee in the usual way.
- 4.5 This revised proposal has a number of advantages over the proposal originally considered by CMSWG, which involved LPPC setting and amending its own scheme of delegation. Chiefly, under this proposal there is member involvement in each case where a decision has to be made about whether a matter is determined by officers or the sub-committee. That removes any room for misinterpretation of a local scheme of delegation whereby matters might be determined by officers which members may have wished to hear at sub-committee. It also avoids the need for LPPC to try and devise a local scheme of delegation, and the need to keep the same under constant review.
- 4.6 For these reasons, A&S is asked to endorse the change to the scheme of delegation proposed at 2.3 above.

5. **Reasons for Preferred Solution**

- 5.1 To enable committee to determine applications and enforcement sanctions in the most effective and practical manner.

- 5.2 To ensure that the council continue to provide safe transport for those wishing to use private hire and Hackney Carriage vehicles.

6. **Outcomes Linked to Sustainable Community Strategy and Corporate Priorities**

6.1 In line with the Council's objectives –

- Local Services that work for local people
- Growing our people and places
- A healthy, active and safe borough
- A town centre for all

7. **Legal and Statutory Implications**

7.1 The Local Government Act 1972, section 101 allows the Council to arrange for a Committee, sub-committee or an officer or another local authority to carry out its powers and duties.

8. **Equality Impact Assessment**

8.1 Decisions will be taken in accordance with the Human Rights Act 1998, Article 6(1) which guarantees an applicant a fair hearing and Article 14 guarantees no discrimination.

9. **Financial and Resource Implications**

9.1 There will be no direct financial costs associated with the proposals.

10. **Major Risks**

10.1 There are no major risks associated with this report.

11. **Sustainability and Climate Change Implications**

11.1 Not applicable.

12. **Earlier Cabinet/Committee Resolutions**

12.1 LPPC on 8 January 2020

12.2 CMSWG on 17 March 2020

12.3 LPPC on 27 April 2020

13. **List of Appendices**

13.1 None.

14. **Background Papers**

14.1 Not applicable.

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Council
23 September 2020

Report Title: Urgent Decision Notification – 6 Month Rule

Submitted by: Chief Executive

Portfolios: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: All

Purpose of the Report

To report a Council decision taken by the Chief Executive, in consultation with the Group Leaders, under urgency powers, and to ask Council to consider extending the extension of the current exemption to the “6 month rule”.

Recommendation

That Council:-

- 1) **Note the urgent decision taken by the Chief Executive, in consultation with the Group Leaders, on 28 April 2020**
- 2) **Consider whether or not to extend the dispensation currently in place which will prevent members losing their seat by operation of the rule which requires at least one attendance at a council/committee meeting in a rolling 6 month period.**

Reasons

To comply with the requirement to report urgent decisions taken to full council, and to determine whether a further dispensation is required to allow for the constraints brought about by the Covid-19 pandemic.

1. **Background**

- 1.1 The attached decision was made by the Chief Executive, in consultation with the Group Leaders, on 28 April 2020 under the urgency provisions in the Council’s constitution as detailed therein. The decision was taken in response to “lock-down” and mindful that the inability to hold meetings might inadvertently result in members losing their seats by operation of the rule set out in Section 85(1) of the Local Government Act 1972 (“the six month rule”). The constitution requires this decision to be formally reported to a meeting of full Council, which this report now does.
- 1.2 The effect of the urgent decision taken was to disapply the six month rule to avoid any seats being lost inadvertently on account of the national constraints in place (at the time) on holding council/committee meetings. The decision disapplied the rule until

“...date upon which full Council next meets (otherwise than by remote means) on an unrestricted attendance basis.”

1.3 It is currently possible to hold meetings physically, provided guidance is complied with in terms of necessity and Covid Secure measures. Whilst it is hoped that the easing of restrictions continues, it cannot be guaranteed. There is now provision to hold meetings using video conferencing technology, or by combination of physical and remote means (i.e. “hybrid meetings”). Whilst meetings held through any combination of these methods will be sufficient to meet the requirements of the 6 month rule, it may be that some members are still unable to comply through an inability to attend physical meetings and/or issues with operating the technology required to attend remotely.

1.4 Council should, therefore, determine whether it wishes to end the current dispensation, or continue it until at least the next meeting of Council where the matter can be reconsidered.

2. **Issues**

2.1 Set out above.

3. **Proposal**

3.1 That Council note the urgent decision taken by the Chief Executive, in consultation with the Group Leaders, on 28 April 2020 and consider whether or not to extend the dispensation currently in place which will prevent members losing their seat by operation of the rule which requires at least one attendance at a council/committee meeting in a rolling 6 month period.

4. **Reasons for Proposed Solution**

4.1 Set out above.

5. **Options Considered**

5.1 N/A

6. **Legal and Statutory Implications**

6.1 Set out above.

7. **Equality Impact Assessment**

7.1 The council must comply with its public equality duties. Whilst the Council’s ICT department has done everything that could possibly be expected of it in terms of providing hardware and technical support to enable members to join meetings remotely, there have been rare instances where some members have simply been unable to consistently participate in remote meetings to maximum effect.

7.2 If members are not able to attend physical meetings, or effectively operate the technology that enables them to join meetings remotely, and the 6 month rule exemption is disappplied, that is likely to amount to indirect discrimination on grounds of age or infirmity.

8. **Financial and Resource Implications**

8.1 None

9. **Major Risks**

9.1 The equality considerations above relate.

10. **Sustainability and Climate Change Implications**

10.1 None

11. **Key Decision Information**

11.1 N/A

12. **Earlier Cabinet/Committee Resolutions**

12.1 The urgency decision notice appended.

13. **List of Appendices**

13.1 The urgency decision notice appended.

14. **Background Papers**

14.1 The urgency decision notice appended.

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

CHIEF EXECUTIVE'S URGENT DECISION ON BEHALF OF

Council
28 April, 2020

Report Title: Member Disqualification and Allowances

Submitted by: Monitoring Officer

Portfolios: Corporate & Service Improvement, People & Partnerships

Ward(s) affected: N/A

Purpose of the Report

To disapply the rules in relation to disqualification and withdrawal of member allowances on account of non-attendance at Council/Committee meetings

Decision

That, using the urgency powers set out in the Constitution:-

- 1. In accordance with S85(1) or the Local Government Act 1972 the Member disqualification provisions of S85(1) are suspended from 19 March 2020 until the date upon which full Council next meets (otherwise than by remote means) on an unrestricted attendance basis.**
- 2. For the same period of time, any provision restricting the payment of member allowances on account of non-attendance at council or committee meetings is also suspended.**

Reasons

To ensure that no members are disadvantaged on account of an inability to attend Council meetings (whether in person or by remote means) whilst following government directions or advice that are in effect from time to time in relation to lock-down, shielding, self-isolation or social distancing in response to the Covid-19 pandemic.

1. Background

- 1.1 This decision is taken in accordance with paragraph 1 ("Matters of Urgency") on page 78 of the Council's Constitution. The urgency arises on account of the need for this decision to be taken at a time before a meeting of full Council is able to be convened. This being a decision that can only be taken by full Council. In accordance with the urgency provisions, the Mayor has been consulted. Additionally, each Group Leader has also been consulted. All those consulted were content with the decision proposed.**

1.2 S85(1) of the Local Government Act 1972 provides that members will cease to be members of the Council if they fail to attend a meeting of the authority in a consecutive period of 6 months, unless the failure to attend is approved by the Council prior to the end of the relevant 6 month period.

1.3 A failure to attend (and clearly disqualification) is capable of having an impact on allowances payable to members under the Council's Scheme of Member Allowances.

1.4 In light of the current Covid-19 pandemic, there is a need to ensure that these rules do not operate to the detriment of members where they are unable to attend meetings for that reason.

2. **Issues**

2.1 It is not known how long the current pandemic will last, nor how long any combination of measures such as "lock-down", self-isolation, shielding or social-distancing will be in force under government direction or advice.

2.2 Whilst Regulations have been passed which allow "attendance" at meetings by remote means during this time, the Council has taken the prudent step of suspending a number of non-decision making meetings and reducing, at least initially, the number of committee members required to "attend" those meetings that will continue to be held remotely.

2.3 As a result, the Regulations may not assist those members who are not currently required to attend meetings that are being held remotely from avoiding the application of the 6-month rule. It is, therefore, prudent for a decision to be taken under urgency procedures on behalf of full Council to disapply that rule.

2.4 The date of 19 March 2020 is chosen as the date upon which to "stop the clock" as this is the day after the last normal meetings took place before government restrictions came into effect.

3. **Proposal**

3.1 That, using the urgency powers set out in the Constitution:-

3.1.1 In accordance with S85(1) of the Local Government Act 1972 the Member disqualification provisions of S85(1) are suspended from 19 March 2020 until the date upon which full Council next meets (otherwise than by remote means) on an unrestricted attendance basis.

3.1.2 For the same period of time, any provision restricting the payment of member allowances on account of non-attendance at council or committee meetings is also suspended.

4. **Reasons for Proposed Solution**

4.1 To ensure that no members are disadvantaged on account of an inability to attend Council meetings (whether in person or by remote means) whilst following government directions or advice that are in effect from time to time in relation to lock-down, shielding, self-isolation or social distancing in response to the Covid-19 pandemic.

5. **Options Considered**

5.1 Consideration was given as to whether the clock should be re-set as at the point of the next unrestricted Council meeting, however it was considered that this would be going beyond the purpose and intention of S85(1).

5.2 Parliament clearly intended to make it a requirement for Members to attend at least one meeting in a consecutive 6 month period if Members were to remain Members. Thus whilst there grounds upon which the rule can legitimately be suspended, it should only be suspended for the period of time necessary.

5.3 The S85(1) power enables the clock to be stopped only, it does not allow it to be reset.

Accordingly any period of non-attendance which is to be excused under the provision in S85(1) and by this decision can only cover the period set out. Once the suspension ends, each members' 6 month period shall be calculated from the date upon which they last attended a meeting prior to 19 March 2020, but discounting any period of time between March 2020 and the date of the next "normal" council meeting (i.e. one that takes place on an unrestricted attendance basis).

6. **Legal and Statutory Implications**

6.1 Dealt with in the body of the report.

7. **Equality Impact Assessment**

7.1 This decision promoted equality so as not to discriminate against those who may not be able to take part in remote meetings on account of any protected characteristic.

8. **Financial and Resource Implications**

8.1 None identified.

9. **Major Risks**

9.1 Dealt with in the body of the report.

10. **Sustainability and Climate Change Implications**

10.1 None identified.

11. **Key Decision Information**

11.1 This is not a Key Decision.

12. **Earlier Cabinet/Committee Resolutions**

12.1 Not Applicable.

13. **List of Appendices**

13.1 Not Applicable.

14. **Background Papers**

14.1 Not Applicable

DECIDED BY:-

Martin Hamilton (Chief Executive) under the aforementioned powers

A handwritten signature in black ink that reads "Martin T. Hamilton". The signature is written in a cursive style with a large initial 'M' and 'H'.

Signed

Dated 28 April 2020

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NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

EXECUTIVE MANAGEMENT TEAM'S REPORT TO

Council
23 September 2020

Report Title: Temporary Appointments to Chapel Chorlton & Hill Chorlton Parish Council

Submitted by: Head of Legal & Governance

Portfolios: Corporate & Service Improvement, People & Partnerships

Ward(s) affected: Maer & Whitmore

Purpose of the Report

To consider whether the Council should use its powers under s.91 Local Government Act 1972 to enable Chapel Chorlton & Hill Chorlton Parish Council to function until an election is held.

Recommendation

That Council:-

- 1) Delegates authority to the Monitoring Officer to make an Order under section 91 Local Government Act 1972, in respect of Chapel Chorlton & Hill Chorlton Parish Council, in the form of the draft order in the APPENDIX.**
- 2) Instructs the Head of Legal and Governance to procure that an election be held for all Chapel Chorlton & Hill Chorlton Parish Council seats on 6 May 2021.**

Reasons

Chapel Chorlton & Hill Chorlton Parish Council consists of seven councillors. All seven councillors have recently resigned from office. The Parish Council needs to have at least three councillors in order to make decisions. It is therefore currently unable to function.

Where a Parish Council is unable to act, the Borough Council has a discretionary power, under s.91 of the Local Government Act 1972, enabling it to make temporary appointments to any Parish Council vacancies until other councillors are elected.

It is proposed that Borough Councillors Graham Hutton, Paul Northcott and Barry Panter are appointed as temporary parish councillors and that an election for all seven seats is held on 6 May 2020.

1. Background

- 1.1 All seven serving councillors at Chapel Chorlton & Hill Chorlton Parish Council recently resigned from office. The Council needs at least three councillors to be able to act (i.e. to be "quorate"). The Council is, therefore, currently unable to make any decisions and may not co-opt councillors to make itself quorate.
- 1.2 Section 91 of the Local Government Act 1972 allows the Borough Council to make temporary appointments to a Parish Council where there are so many vacancies in the office of parish

councillor that the Parish Council are unable to act. Such appointments would last until other Councillors are elected to take up office.

- 1.3 In addition, section 39(4)(i) of the Representation of the People Act 1983 enables the Borough Council to “by order make any appointment or do anything which appears to them necessary or expedient for the proper holding of such an election or meeting and properly constituting the council, and may, if it appears necessary, direct the holding of an election or meeting and fix the date for it”.
- 1.4 The people to be appointed must satisfy the usual rules as to standing for any parish council vacancy.
- 1.5 The Council would need to appoint at least three persons to enable the Parish Council to be quorate. It is proposed that Borough Councillors Hutton, Northcott and Panter are appointed. All three councillors confirm that they meet the eligibility criteria referred to in paragraph 1.4 above.
- 1.6 It is also proposed that an election for all five parish council seats be held on 6 May 2020, to coincide with the already scheduled Police & Crime Commissioner and County Council elections, and that the appointments last until sufficient candidates become elected following that election.

2. **Issues**

- 2.1 Without making the appointments as proposed, the Parish Council would cease to function until such time as successful elections were held. That would represent a void in democratic representation at the most local level, and would present logistical difficulties for the Parish Council in terms of operational transactions that require sign-off from duly elected/appointed members of the Parish Council.

3. **Proposal**

- 3.1 That Council delegates authority to the Monitoring Officer to make an Order under section 91 Local Government Act 1972, in respect of Chapel Chorlton & Hill Chorlton Parish Council, in the form of the draft order in the APPENDIX.
- 3.2 That an election be held for all Chapel Chorlton & Hill Chorlton Parish Council seats on 6 May 2021.

4. **Reasons for Proposed Solution**

- 4.1 To enable the Parish Council to function until replacement councillors are duly elected.

5. **Options Considered**

- 5.1 N/A

6. **Legal and Statutory Implications**

- 6.1 N/A

7. **Equality Impact Assessment**

- 7.1 N/A

8. **Financial and Resource Implications**

8.1 There are no financial implications or resource implications for this Council. Appointments are made by the Borough Council, but any decisions made by the appointees would be as Parish Councillors acting on behalf of the Parish Council. The costs of the election would be recharged to the Parish Council in the usual way, but these costs are mitigated by scheduling the election along-side the other two polls programmed for 6 May 2021.

9. **Major Risks**

9.1 See paragraph 2.1 above.

10. **Sustainability and Climate Change Implications**

10.1 N/A

11. **Key Decision Information**

11.1 N/A

12. **Earlier Cabinet/Committee Resolutions**

12.1 N/A

13. **List of Appendices**

13.1 Draft Appointment Order

14. **Background Papers**

14.1 N/A

COUNCIL
23rd September 2020
Temporary Appointments to Chapel Chorlton & Hill Chorlton Parish Council

Temporary Appointments to Chapel Chorlton & Hill Chorlton Parish Council

Section 91 Local Government Act 1972

This Order is made on the _____ day of _____ two thousand and twenty by THE BOROUGH COUNCIL OF NEWCASTLE-UNDER-LYME (HEREINAFTER CALLED "The Council")

- 1. WHEREAS following resignation of Parish Councillors from Chapel Chorlton & Hill Chorlton Parish Council, three Councillors are required to ensure the Parish Council remains quorate.
- 2. Under section 91 of the Local Government Act 1972, where there are so many vacancies in the Office of Parish Councillors that the Parish Council are unable to act, the Council may, by order, appoint persons to fill all or any of the vacancies until other councillors are elected to take up office.

Now, in pursuance of the power confirmed upon it by section 91 of the Local Government Act 1972, the Council hereby appoints the following persons to act as Members of Chapel Chorlton & Hill Chorlton Parish Council until an election has been held to fill such vacancies as shall constitute and re-establish a quorum in the respective Parish Council whereupon such appointment shall cease.

Names:

- Graham Hutton, Borough Councillor for Maer & Whitmore
- Paul Northcott, Borough Councillor for Loggerheads
- Barry Panter, Borough Councillor for Loggerheads

Executed as a DEED by)
affixing THE COMMON SEAL)
of the BOROUGH COUNCIL OF)
NEWCASTLE-UNDER-LYME)
in the presence of:)

Councillor

Authorised Signatory

NEWCASTLE-UNDER-LYME BOROUGH COUNCIL

**EXECUTIVE MANAGEMENT TEAM'S
REPORT TO**

Council
23 September 2020

Report Title: Kidsgrove Sports Centre Refurbishment

Submitted by: Executive Director Commercial Development and Economic Growth

Portfolios: Corporate and Service Improvement, People and Partnerships

Ward(s) affected: Kidsgrove & Ravenscliffe

Purpose of the Report

To provide Council with an update on the refurbishment of Kidsgrove Sports Centre.

Recommendation

That Council notes and endorses the decisions of Cabinet and acknowledges the work that has taken place with Council Officers, the Kidsgrove Sports Centre Community Group and the contractor over the past few months to finalise the refurbishment plans.

Reasons

So that Council is kept informed as to the progress towards delivering on its commitment to provide sports facilities in Kidsgrove that are modern, high-quality and attractive and which meet public expectations.

1. Background

- 1.1 On 22 April 2020 cabinet agreed a target cost of £5.6m for the refurbishment of Kidsgrove Sports Centre. It also approved further survey and design work to further define the scope and extent of the necessary upgrades to the plant and building to establish a firmer target cost.
- 1.2 The refurbishment and redevelopment of Kidsgrove Sports Centre and Swimming Pool will enable the centre to fully reopen to the public under community management.

2. Update

- 2.1 Since May 2020, a series of intrusive surveys have been undertaken to review the pool structure, together with the walls and roofs of the pool hall and sports hall, the equipment to the pool filtration systems and the main mechanical and electrical systems. These surveys have provided much more detail on the building condition, and as such have enabled the cost estimates to be firmed up.
- 2.2 A number of design meetings have taken place with the Community Group, the contractor Willmott Dixon and their special leisure architects to review the design and scope of the scheme to achieve the most efficient use of the available space whilst reducing the extent of building works.

- 2.3 Willmott Dixon have now prepared a revised design which the Community Group are satisfied with and have used this design and the output of the intrusive surveys to work up the refurbishment costs accordingly.
- 2.4 The result of the activities described above is a new design which makes the most of the existing building layout, satisfies the anticipated user requirements and provides the 25 year life span for the building. After providing for realistic budget allowances, overall costs have increased from £5.6m to £5.998m.
- 2.5 The Council has been working with partners to secure the funding package to deliver the scheme. This includes contributions from Staffordshire County Council and Sport England. A contribution is also being sought as part of a package of proposals being put forward to Government for Town Deal funding in Kidsgrove. Discussions are ongoing with Sport England with a view to increasing their funding contribution.
- 2.6 The building is owned by Staffordshire County Council and agreement has been reached on all outstanding legal issues and currently work is focusing on the transfer of the building to the Borough Council in October 2020, as well as to effect a Lease to the Community Group upon transfer at completion of the construction works.
- 2.7 The Community Group are actively fundraising for the project, and once this report has been approved by Cabinet, the group will be able to accelerate fund raising activities for both capital and operational grants to assist with the project budgets.
- 2.8 At its meeting on 9 September, Cabinet approved a supplementary capital approval of up to £400,000 to increase the project budget to £5.998m as a consequence of additional works identified during the intrusive survey works and redesign / re-scoping of the project in consultation with the CIO. This additional funding will be drawn down from the capital programme contingency in the event that external funding contributions sufficient to cover the additional costs cannot be secured.
- 2.9 The next phase of work, as reported in April 2020 Cabinet Report, will be the detailed design and contract award price build up exercises which will cost a further £403,000, and will be completed in early 2021.

3. **Reasons for the Refurbishment**

3.1 Refurbishing and reopening the facility will address a number of community needs, including:

- The facilities are required to enable activity for health benefits on a localised basis, linked closely to the Council's Sport and Active Lifestyle Strategy;
- The facilities are required for those members of the community that are currently disengaged or inactive;
- The facilities are required for education and extra-curricular needs, given the importance of embedding a life-long activity habit in young people;
- The facilities are required for sport, particularly sports development and talent development aspects;
- The facilities are required for disability sport, including sports development and education links.

3.2 Detailed project appraisal comparing the costs of refurbishment with new build options has identified this proposal as the option that provides best value for money. The proposed design will satisfy user requirements and provide a 25 year life span for a key community asset.

4. **Options Considered**

4.1 In confirming the continued need for the Kidsgrove Sports Centre, the Council has confirmed its understanding of the business and strategic need for the facility, through supply and demand modelling using various sources of information which included: feasibility work; Sports England's Active Places Power website; The Leisure Database Company's health and fitness latent demand modelling; and Sport England's Facility Planning Models for pool water and sports halls, to determine elements of the facility mix that are needed.

4.2 Extensive consultation was also undertaken with key Council Officers and stakeholders to inform the feasibility study and future consideration of management / delivery options. The scope of this consultation included group sessions / one-to-one meetings and telephone-based discussions with key council officers; (operational, finance, leisure, planning etc.), portfolio holders / key Council Members, key user / stakeholder groups such as school representatives, Sport Across Staffordshire & Stoke-on-Trent CSP, Staffordshire County Council and the local Kidsgrove Action Group.

4.3 Consultation discussions explored the needs and aspirations of the local community, any competing facilities that should be considered, the facility mix, the location of the centre, financial and planning considerations as well as suggested service improvements and partnerships that could be established to sustain the centre moving forwards.

5. **Legal and Statutory Implications**

5.1 Section 2(1) of the Local Government Act 2000 permits local authorities to do anything they consider likely to promote or improve the economic, social and environmental well-being of their area. That would include the intended provision at Kidsgrove Sports Centre.

5.2 As set out in the report, there will be a need to ensure proper and effective agreements are entered into in order to vest the necessary interests in the land and buildings to enable the site to be refurbished and effectively managed once operational. In addition to a lease, there will need to be a management agreement defining the rights and obligations of the various parties which ensures that the council is adequately protected against operating risks. The various contractual arrangements necessary to bring about the refurbishment will have to be undertaken in accordance with the Council's Contract Procedure Rules and Financial Regulations.

6. **Equality Impact Assessment**

6.1 Leisure has an important contribution to make to the wellbeing of the community. Programmes at the Centre can contribute to economic and social activity; improve the health of residents; bring communities together and introduce an identity; enable groups to represent themselves; develop sport and other skills; and provide opportunities for the voluntary sector and community activity.

7. **Financial and Resource Implications**

7.1 As previously reported, an options appraisal has been completed to compare the value for money offered by refurbishment of the existing Sports Centre and the alternative option of

building a new Sports Centre in Kidsgrove. The appraisal has confirmed that the option of refurbishing the existing Sports Centre provides better value for money than the rebuild option with both a lower cash outlay and a lower NPV.

- 7.2 The total capital cost of the project is £5.998m. The cost can be accommodated within the existing approved capital programme, subject to a successful outcome to the bid for advance Town Deal funding. In the event that this external funding cannot be secured, a further contribution of £398,000 will be required from the capital programme contingency. The table below summarises the revised project funding. £2m of this expenditure will be incurred in the 2020/21 financial year and the remainder in 2021/22.

Funding Summary	£ (000)
Revised budget requirement	5,998
Existing 2020/21 Capital Programme allocation	5,600
Supplementary budget approval required	398
Revised Project Funding	
Staffs County Council Contribution	363
Sport England Contribution	100
Original capital programme allocation	3,151
Virement from 2020/21 Capital Programme	1,032
Re-allocation of 2019/20 Capital Programme underspends	704
Use of Capital Contingency	250
Town Deal Advance Works	398
Total	5,998

- 7.3 A project contingency is contained within the overall project budget of c.£6m.
- 7.4 The total expenditure incurred against the capital allocation for the scheme will be monitored and reported to the “Capital, Assets and Commercial Investment Review Group” (CACIRG) as part of the overall Capital Programme.
- 7.5 As previously reported, there is a potential requirement over the first 5 years of operation of the refurbished centre of between £40,000 based on the CIO business plan and between £168,000 best case scenario and an extreme worst case scenario of £482,000 based on the Councils modelling. In addition to any operating subsidy required the Council’s revenue budget will also bear the cost of 20% of the business rates for the centre estimated at £20k. This level of underwriting is still significantly lower than the operating deficit previously incurred when the Council ran this facility.
- 7.6 The Council will need to make provision in the MTFS for business rates. The first year of trading will inform whether there is an ongoing requirement for underwriting and if so at what level and this will need to be addressed in future years MTFS.
- 7.7 It should be noted that based on the business plan submitted by the CIO the centre will incur losses in the first two years of operation and will not achieve a break-even position until year 6 at the earliest. The CIO have requested that the Council provide cash flow funding of up to £100,000 on a draw down basis until such time as the centre achieves a cash positive position. Appropriate agreements will be entered into once the necessary due diligence checks have been completed through the S151 Officer, in consultation with Legal Services.
- 7.8 The amounts contained in this report (£5,998,000) are exclusive of VAT as the Council can reclaim VAT payments on capital projects.

8. Major Risks

8.1 Risk has been considered as part of this report and two main specific high risks are included below:

8.1.1 The financial projections supplied by the Community Group are not achieved and the facility runs at either a loss (which the Council has to cover) or closes and the Council takes back possession. The Council will work with the Community Group to support its efforts to maximise income and achieve the projected business plan.

8.1.2 There is insufficient capital budget – A sizeable capital allocation, sufficient to re-open the sports centre, is being resourced by the Council without borrowing and the opportunity for external funding is being explored on behalf of the Council.

8.1.3 Community expectations - it is clear from the latent demand analysis that the community demand is not currently being met. The refurbished sports centre provides the opportunity to address this. However, there remains a risk that commercial leisure operators will enter the local leisure market seeking to capture this demand and in particular the more profitable elements.

9. **Sustainability and Climate Change Implications**

9.1 None specific to this report, but the refurbishment will be updated to comply with current building regulations.

10. **Key Decision Information**

10.1 The decision taken at Cabinet in September was a key decision, on account of the sums involved.

11. **Earlier Cabinet/Committee Resolutions**

11.1 The following previous reports relate:-

- Cabinet 9 September 2020
- Cabinet 22 April 2020
- Cabinet 18 March 2020
- Cabinet 15 January 2020
- Cabinet 6 November 2019
- Cabinet 16 October 2019

12. **List of Appendices**

12.1 N/A

13. **Background Papers**

13.1 Cabinet reports referred to.

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STATEMENT OF THE LEADER OF THE COUNCIL TO FULL COUNCIL – 23RD SEPTEMBER 2020

Submitted by: Councillor Simon Tagg

Portfolio: All

Wards affected: All

<u>Purpose of the Report</u> To provide an update to Members on the activities and decisions of Cabinet together with the Forward Plan.
<u>Recommendation</u> That the statement of the Leader of the Council be received and noted.
<u>Reasons</u> To update Council Members on the activities and decisions of the Leader & Cabinet and to allow questions and comments to be made on the Statement.

1. **Cabinet Meetings**

Cabinet has met six times since the last Full Council of 19th February: virtually on 18th March; 22nd April; 20th May; 10th June and 8th July; and in person on 9th September. A selection of decisions are detailed under item 3 of this report.

2. **Coronavirus Pandemic and Recovery - Getting Back On Track**

We are living in unprecedented times and at the onset of the Pandemic, the Council established an Incident Management Team to co-ordinate its response to ensure that support for local residents and businesses was provided and to enable the Council to maintain key services, whilst protecting the welfare of officers.

Following the easing of the national lockdown the Council has focussed on five key strands for recovery:

- Reopening safe and successful retail centres
- Supporting Health and Wellbeing
- Economic recovery
- Stepping up Council Services
- Financial Recovery

I am sure all Members will join me in thanking Council officers, staff and partner organisations for their hard work during the pandemic and lock-down to keep Council services functioning for our residents.

3. **Cabinet Decisions**

3.1 **New CCTV System – Newcastle Town Centre**

The new CCTV system is now operational in the Town Centre. New cameras harnessing the latest technology have replaced ageing equipment and more cameras have been installed in new locations. This has been jointly funded by the Council and Newcastle-under-Lyme Business Improvement District.

The cameras will operate 24 hours a day and are monitored at key times and the Police have access to live footage to help them deal with any incidents in the town in real time.

CCTV has the benefit of making people feel safer in the Town Centre as well as deterring those who may want to engage in criminal activities.

3.2 **Joint Housing Allocations Policy**

Cabinet has approved an updated Joint Housing Allocations Policy with Aspire, which creates a single application process for those people looking for housing in the Borough. This replaces the previous two separate platforms for applications and will enable a smarter, more efficient and streamlined housing register service for our customers and residents.

3.3 **Anti-Social Behaviour (ASB) Policy Review**

Cabinet endorsed a revised Anti-Social Behaviour Policy and Procedures, which provides a framework for Council officers, Members and Partner Organisations to respond to complaints of ASB on behalf of the public and reflects the changes in National Guidance as well as local circumstances.

3.4 **Air Quality – A53 Bus Retrofit Contract**

A contract has been awarded for the retrofit of 25 buses operated by First Potteries Ltd. to bring them up to Euro 6 Emission Standards to ensure that those buses using the A53 Etruria Road achieve compliance in line with the relevant Air Quality Direction.

3.5 **Pre-Validation Checking Scheme**

The Council has introduced a new pre-validation checking service for Planning Applications, which enables applicants to progress through the Planning process more quickly, helping to minimise the risk of unexpected delays, allowing residents, local businesses and developers to progress developments within the Borough.

3.6 **Local Planning Enforcement Plan**

Cabinet adopted a Local Planning Enforcement Plan to replace the previous one from February 2009. It sets out a framework, by which the Council will approach its Enforcement duties, a method to prioritise the most serious breaches of Planning Control, the measures that can be taken via Enforcement and targets for the progression of cases.

This will give Members and the public more confidence that breaches of planning control are being investigated and dealt with in a timely manner.

3.7 **Future High Streets Fund & Advanced Town Deal Funding**

The Council has submitted its bid to the Future High Streets Fund to transform Newcastle Town Centre. The plans include the redevelopment of the Ryecroft site, including pedestrian routes into the Town Centre, development opportunities to replace the Midway

Car Park and enhancements to the Historic Market. The Government will announce successful bids later in the autumn.

Bids have been submitted for both Kidsgrove (£750k) and Newcastle (£1m) for projects as part of Town Deal Advanced Funding. These include Health and Wellbeing and facilities for young people in Kidsgrove; and in Newcastle advancing regeneration opportunities in Newcastle Town Centre and in Knutton.

We expect to hear if these bids have been successful in the coming days.

3.8 Delivery of the Council's New Recycling Service

The Council's new Recycling Service was rolled out across the Borough ahead of schedule during June and July 2020.

This has replaced the failing multiple box system with a large blue wheelie bin for a range of recyclables and a blue bag for paper and cardboard. The food waste collections have also resumed following the Coronavirus lockdown.

The new system makes it easier for residents to recycle and has increased the range of materials that can be recycled at the kerbside.

4. Forward Plan

The Forward Plan can be found at:

<https://moderngov.newcastle-staffs.gov.uk/mgListPlans.aspx?RPIId=118&RD=0>

Councillor Simon Tagg
Leader of the Council

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Public Protection & Licensing Committee

This report is on behalf of the Chair, Mr Mark Olszewski, who asked me to submit the report. From Sept 2018 to August 2019 there have been 3 sub-committee hearings for premises and 24 for public protection (120 cases). From Sept 2019 to August 2020 there have been 2 sub-committee hearings for premises and 18 for public protection (90 cases).

There has been a flurry of hearings in September not included in these figures. There were only 6 appeals to Magistrate in the last year, though there are some in the pipeline. The new taxi licensing policy has been implemented and is working well. The new Pavement Licence regime has been introduced by the Business and Planning Act 2020. This includes the relaxation of off-premises sales of alcohol from certain premises. We are not aware of any adverse effects of this relaxation. The PHV/HCV licence application forms are being rolled out online.

Currently NuLBC licence 79 Private Hire Operators, 656 Private Hire Vehicles, 173 Hackney Carriage Vehicles and 994 Taxi/Private Hire drivers.

I would like to pay tribute to the staff and Councillors who have worked to keep this service open during a very difficult period. In particular, the way the sub-committee consisting of Mark Olszewski, myself, legal counsel and staff in deciding what cases must go before the appropriate committee under the new licensing regime has worked particularly well and I have enjoyed working with Councillor Olszewski in such a productive manner.

Cllr Graham Hutton, Vice-Chair Public Protection & Licensing Committee.

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Planning Committee report.

Despite the problems present by covid-19, I am pleased to say the Planning Committee has managed to meet on its regular cycle since the last full council. We were one of the first councils to move to virtual meetings in order to keep a democratic input in the planning process, and I am pleased to say that those meetings went well. I would like to thank all colleagues for making the effort to change to this new format and also all the officers involved, both in the Planning and other departments for helping to make this project a success. We have now moved to hybrid meetings which have allowed the full committee to participate in meetings once again, and our first meeting of this form was also a success. Meetings have been viewable on YouTube which has also helped retain transparency. The committee has dealt with the normal matters of development control, but also some important policy matters, and I would urge all colleagues to read our new enforcement policy and also the report on our 5 year housing supply.

Cllr AT Fear

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Audit and Standards Committee

The committee has met on 1st May and 27th July 2020.

During the course of the meetings, the business dealt with was as follows:

1st May 2020

Members reviewed the Internal Audit Plan for the current year. There was uncertainty given the current situation with Covid-19, in relation to how the plan would roll out. It was accepted that it may be subject to change, but it was approved on this basis together with the Audit Charter for 2020/21.

The Head of Environmental Health Services introduced a report revising the scheme of delegation relating to taxi and private hire licences. It was resolved that the committee supports the amendments as tabled.

Members were advised of a number of amendments to the Audit Plan. Grant Thornton explained the changes, primarily in relation to home-working and it was not envisaged that there would be any overrun on the previously submitted timetable.

27th July 2020

Members reviewed the Draft Statement of Accounts for the year ended 31st March 2020. It was explained that under the revised regulations (due to Covid-19), the deadline for completion/signing-off of the accounts had been extended to 30th November (from 30th September). The Head of Finance explained that the out-turn, subject to completion of the Audit, showed a negative variance of £0.207M which had been transferred from the General Reserve. Conversely, the Collection Fund was showing a surplus of £3.977M which would be transferred to the Business Reserve in order to help to offset the effects of Covid-19. Members were given details of the balance sheet accounts and advised that there were sufficient reserves to cover losses incurred during the current year, but work was being carried out in relation to resilience issues going forward as the impact of Covid-19 was not yet known, nor the level of Government support. The contents of the report were noted and Officers thanked for all of their efforts under these difficult circumstances.

Members received the Treasury Management report for 2019/20 and there were no issues to report as the council had no cash investments or any significant borrowing at the year-end.

The Annual Governance Statement for 2019/20 was approved, as required and the additional section relation to Covid-19, noted.

The Risk Management report for Q4 19/20 and Q1 20/21 was presented in revised format which was felt to be an improvement. Approval was given to various appendices as necessary, and it was agreed that future reports include a rider clarifying that whilst the Council may be able to mitigate risk, it could not do the same with impact.

The Head of Finance explained the current Counter Fraud Arrangements which comprise an Anti-Fraud and Anti-Corruption Framework, a Fraud Response Plan, a Whistleblowing Policy and an Anti-Money Laundering Policy.

Members noted the contents of the Annual Health and Safety Report, 2019/20, which showed a slight increase in the number of accidents, but no worrying trends.

Next Meeting 28th September 2020.

Paul Waring (Chair)

Classification: NULBC **UNCLASSIFIED**

Report for Full Council from the Chair of the Economy, Environment and Place Scrutiny Committee

The Committee did not meet in March as the scheduled meeting was cancelled due to the Pandemic.

The June Committee meeting went ahead virtually and scrutinised the arrangements put in place for Covid preparedness and re-opening Of the Town Centre. A number of recommendations were made.

We have had two task and finish sub groups meet also covering Walleys Quarry and Climate Change.

Councillor Gary White
Chair

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Report of the Chair of the Health, Wellbeing & Partnerships Scrutiny Committee

The Committee has held 2 virtual meetings since the last update to Council:

- 1st June 2020 – the Committee gave detailed consideration to the Covid Update and Recovery Plan in terms of issues arising and actions taken within the service areas that fell within the Committee’s remit – services for vulnerable people, homelessness and rough sleepers; Bereavement Services and the impact on the crematorium; Domestic Abuse services; Cultural and Leisure provision which had seen both J2 and the Brampton Museum being closed; parks and open spaces; and how to support Member and Officer health and wellbeing.
- 14th September 2020 – the Committee considered a report that focused on specific service areas within its remit that had been impacted by Covid-19 – work to ensure visitors to town centres post lockdown felt safe; homelessness, rough sleeping and temporary accommodation – lessons learned; and Domestic Violence services post lockdown. The Committee received updates on the Healthy Staffordshire Select Committee’s work and considered its own Work Programme – Members agreed to progress the Scrutiny Review of Parks and Green Spaces recognising the importance of these areas to both physical and mental health and wellbeing especially during the pandemic.

Cllr Ian Wilkes

Chair

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To the Portfolio Holder for Leisure, Culture and Heritage:

The Knutton Community Centre is an important resource at the heart of the Knutton Community and home to such vital community support groups such as the Knutton and Silverdale Out of Hours School Club, the Knutton Residents Association, the Knutton Youth Centre and several sports and social clubs in the area. In February the Community Centre was forced to close due to the need for significant repairs to take place, repairs that were first highlighted with the Borough Council in November 2019. Could the cabinet member confirm the following:

- What actions have been taken to ensure the repairs were completed swiftly since they were first reported to officers in November 2019 by the Community Centre Management group?
- What support has the Borough Council offered to these vital community groups to find an alternative venue within Knutton whilst the Community Centre has been closed?
- What actions will the cabinet member now take to ensure a swift solution to these issues, in order for these vital services to be once again fully available to the families of Knutton?

Cllr Brian Johnson

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To the Portfolio Holder for Leisure, Culture and Heritage:

Please could the portfolio holder provide an update to the Council on the main swimming pool at J2. In an email to all members on 26th August, and then under agenda item 4 on the Cabinet meeting held on 9th September, we learnt that the pool was temporarily out of use. As Town Ward councillors we are seeking reassurance that the issue will be remedied quickly, as there is growing concern that the problems may be more significant resulting in a longer-term closure.

Cllrs Elizabeth Shenton and Ruth Wright

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