COUNCIL PROCEDURE RULES

These rules are designed to ensure meetings of the Full Council run smoothly and are conducted properly.

1. **ANNUAL MEETING OF THE COUNCIL**

1.1 **Timing**

In a year when there is an ordinary election of Councillors, the annual meeting will take place within 21 days of the retirement of the outgoing Councillors.

In any other year, the annual meeting will take place in May.

1.2 **Business**

The annual meeting will carry out the tasks listed below.

(i) Elect a person to preside if the Chairman/woman of Council is not present.

(ii) Elect the Chairman/woman of Council.

(iii) Elect the Vice-Chairman/woman of Council.

(iv) Approve the minutes of the last meeting.

(v) Receive any announcements from the Chairman/woman and/or Head of Paid Service.

(vi) Agree the scheme of delegation or such part of it as the Constitution determines it is for the Council to agree (as set out in Part 3 of this Constitution).

(vii) Approve a programme of ordinary meetings of the Council for the year.

(viii) Consider any business set out in the notice convening the meeting.

(ix) Receive a short (two sides of A4) report on each Policy and Service Committee. The report to be prepared by the relevant Service and not open for discussion at the meeting.

In addition, the annual meeting in a year where there is an ordinary election of Councillors will receive the report of the County Returning Officer for information, and will receive the Council’s Constitution for endorsement.

1.3 **Selection of Councillors on Committees and Outside Bodies**

At the annual meeting, the Council will:
(i) Decide which committees and sub-committees to establish for the municipal year.

(ii) Decide the size and terms of reference for those committees and sub-committees.

(iii) Decide the allocation of seats and substitutes to political groups in accordance with the political balance rules.

(iv) Appoint the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee who will also fulfil the role of Leader and Deputy Leader of the Council respectively.

(v) Appoint the Chairman/woman and Vice-Chairman/woman of each of the five service committees.

(vi) Appointment of the Chairman/woman of the Cambridgeshire Health and Wellbeing Board.

(vii) Appoint to those outside bodies except where appointment to those bodies has been delegated by the Council.

2. ORDINARY MEETINGS

Ordinary meetings of the Council will take place in accordance with a programme decided at the Council’s annual meeting. Ordinary meetings will:

(i) Elect a person to preside if the Chairman/woman and Vice-Chairman/woman are not present.

(ii) Approve the minutes of the last meeting.

(iii) Receive any announcements from the Chairman/woman, Leader, Committee Chairmen or the Chief Executive.

(iv) Subject to the consent of the person presiding at the meeting:

   (a) receive questions from, and provide answers to, the public; and

   (b) receive petitions in accordance with the Council’s petitions scheme.

(v) Deal with any business from the last Council meeting.

(vi) Consider recommendations from the Council committees on matters requiring a Council decision.

(vii) Receive reports about and receive questions and answers on the business of joint arrangements and external organisations.

(viii) Consider motions.
(ix) Consider any other business specified in the summons to the meeting, including consideration of proposals from the General Purposes Committee in relation to the Council’s budget and policy for debate.

(x) Put questions to the Leader of the Council, Committee Chairmen and representatives on the Fire Authority.

3. EXTRAORDINARY MEETINGS

3.1 Calling Extraordinary Meetings

Those listed below may request the Proper Officer to call Council meetings in addition to ordinary meetings:

(i) The Council by resolution

(ii) The Chairman/woman of the Council

(iii) The Monitoring Officer

(iv) Any five members of the Council if they have signed a requisition presented to the Chairman/woman of the Council and he/she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

Any requisition received for an extraordinary meeting must specify the business to be transacted at the meeting.

3.2 Business

The business to be transacted at an extraordinary meeting of the Council shall be restricted to those items set out in the summons.

4. APPOINTMENTS TO COMMITTEES

4.1 Allocation

Every person appointed to be a member of a committee or sub-committee will remain a member of that committee until the first of the following events:

(a) he/she ceases to be a Councillor

(b) his/her resignation

(c) changes to political balance necessitate changes to committee membership

(d) removal by the Proper Officer at the request of his/her group
The Full Council is required to keep the allocation of seats to groups under review.

Whenever allocation of seats is considered by the Full Council the Monitoring Officer shall submit a report showing what the allocation of seats should be in order to ensure committees reflect the overall political balance of the Council.

Democratic Services will ensure that all appointments to committees are reported to the next meeting of the appropriate committee.

Any changes in membership must be notified to the Democratic Services Manager by the Group Leader or the majority of the group no later than 12.00 noon five (5) clear working days before the relevant meeting.

As well as allocating seats on committees and sub-committees, the Council will allocate seats in the same manner for up to four members of each political group as substitute members.

4.2 Powers and Duties

Substitute members, when substituting for an ordinary member of the committee, will have all the powers and duties of any ordinary member of the committee but will not be able to exercise any special powers or duties exercisable by the person they are substituting.

4.3 Substitution

Substitute members may attend meetings in that capacity only:

(i) To take the place of the ordinary member for whom they are the designated substitute.

(ii) After notifying the relevant Democratic Services Officer of the intended substitution before the start of the meeting.

In the event of the ordinary member of the committee being present at the start of the meeting, the ordinary member may advise that the substitution shall not take effect. The membership of the committee shall be as constituted at the start of the meeting and substitution will not be permitted during the course of the meeting.

Substitute members are eligible for allowances in accordance with the Council’s scheme of allowances as if they were appointed members of that committee.

5. TIME AND PLACE OF MEETINGS

The time and place of meetings will be determined by the Proper Officer and notified in the summons.
6. NOTICE OF AND SUMMONS TO MEETINGS

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

The Monitoring Officer may, after consultation with the Chairman/woman, cancel a meeting of the Council, if he/she is satisfied that there is insufficient business to be transacted or if he/she is satisfied that this is the appropriate course of action.

7. CHAIRMAN/WOMAN OF MEETING

The person presiding at the meeting may exercise any power or duty of the Chairman/woman.

If any issues arise at a meeting in relation to the interpretation of the procedure rules, the Chairman/woman’s decision shall be final.

8. QUORUM

The quorum of a meeting will be one quarter of the whole number of voting members. During any meeting if the Chairman/woman counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman/woman. If the Chairman/woman does not fix a date, the remaining business will be considered at the next ordinary meeting.

9. QUESTIONS BY MEMBERS

9.1 Oral Questions

A member of the Council may ask any member of the Council who has a position of responsibility i.e. Leader of the Council, Group Leaders, Chairmen/women, Vice-Chairmen/Women, Spokesmen/women, Council representatives on Outside Bodies, Partnership Liaison and Advisory Groups and Internal Advisory Groups and Panels a question on any matter discussed at a Committee meeting, relevant to the business of the Council, or matter which affects the County of Cambridgeshire excluding extraordinary or special meetings of the Council and the first annual meeting of a new Council. The maximum time allowed for these questions and answers will be 60 minutes. Members shall have up to two minutes in which to ask the question.
An answer to an oral question may take the form of:

(i) A direct oral answer of up to a maximum of two minutes.

(ii) Where the desired information is in a publication of the Council or other published work, a reference to that publication.

(iii) Where the reply cannot conveniently be given orally, a written answer circulated later to the questioner and made available to all members of Council and to the public.

A member asking an oral question under Rule 9.1 may ask one supplementary question without notice of the member to whom the first question was asked. The supplemental question must arise directly out of the original question or the reply and shall be limited to a maximum of one minute. An oral response will be limited to two minutes.

All questions:

- must be relevant to matters for which the Council has powers or duties
- must not relate to an item which is included elsewhere on the County Council agenda (e.g. in a matter for decision or report from Committee or relating to a motion on the agenda) as they can be raised at that point in the meeting.
- should be limited to obtaining information or pressing for action.

Questions should not:

- be incapable of being adequately answered in two minutes
- contain offensive expressions
- divulge, or require the answer to divulge, confidential or exempt information.

Any facts on which a question is based should be identified briefly when the question is asked. Members may be asked to verify authenticity of any factual statement.

9.2 **Written Questions**

Subject to the provisions set out below, a member of the Council may ask:

- the Chairman/woman;
- the Chairman/woman of any committee

a question in writing on any matter in relation to which the Council has powers or duties or which affects the County.
A member may only ask a written question under Rule 9.2 if either:

(a) he/she has given notice in writing of the question to the Proper Officer no later than 12.00 noon five working days before the date of the meeting, excluding extraordinary or special meetings of the Council and the first annual meeting of a new Council, where no written questions may be asked unless they are agreed as an urgent item by the Chairman/woman under paragraph (b) below; or

(b) the question relates to urgent matters, he/she has the consent of the Chairman/woman to whom the question is to be put and the content of the question is given to the Proper Officer at least one hour before the scheduled start of the meeting.

The maximum number of written questions submitted to any one meeting will be 13, allocated across the Political Groups taking account of proportionality.

9.3 Public Question Time

There will be an opportunity for up to four members of the public to ask questions at meetings of the County Council, excluding extraordinary or special meetings of the Council and the first annual meeting of a new Council, to the Leader of the Council and the Chairman/woman of any Committee.

Members of the public wishing to ask a question at the Council meeting should provide the following details to the Council’s Democratic Services by no later than 12.00 noon, five working days before the meeting:

- Name and address and contact details of the person asking the question.
- The name of the organisation if the question is being asked on their behalf.
- Details of the question to be asked.
- The name or position of the member of the Council to whom it is to be put.
- Brief information about how the subject of the question relates to the person asking the question (e.g. as a resident of the area, as a recipient of a service, as the owner of a property affected by a proposal).

Only one question may be asked by each member of the public or organisation and the question must relate to a single topic. Members of the public shall have up to two minutes in which to ask the question.

The named member will respond to the question which may take the form of:

(a) a direct oral response of up to a maximum of two minutes;

(b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or

(c) where the reply cannot conveniently be given orally, a written response circulated later to the questioner and made available to all members of Council and to the public.
After the response has been given, the questioner has up to a further minute in which to put one supplementary question or seek clarification of the response to the original question. The supplementary question must arise directly out of the original question or the reply and must not introduce new material.

The recipient of the original question then has up to a further two minutes in which to reply to the supplementary question.

No debate will be allowed on any question or the response.

If the questioner cannot be present at the council meeting to pose her/his [sic] question, a written question will be accepted and answered in writing.

9.4 Petition Scheme

The Council will treat something as a petition if it is identified as being a petition, or if it seems to us that it is intended to be a petition and it meets the criteria set out below.

Paper petitions can be sent to:

The Petitions Officer
Cambridgeshire County Council
Box Number SH1102
Shire Hall
Castle Hill
Cambridge
CB3 OAP

Electronic petitions will also be accepted provided they are:

- submitted using the ePetitions facility; or
- submitted as one document, containing either all the local persons’ individual e-mails received by the organiser on a specific date - these must include the individual names and addresses in order to be valid, or if a standard template e-mail has been used, the list of names, postal addresses and e-mail addresses of those supporting the petition. These petitions should be sent to: DemocraticServices@cambridgeshire.gov.uk.

When a petition is received the Council may consider undertaking one, or more of the following actions:

- taking action as requested in the petition
- meeting with petitioners
- referring the petition to Full Council or one of the Council’s Committees
- calling a referendum [A referendum on constitutional change could be triggered with a petition submitted by 5% of the local government electors registered in the local authority’s area.]
Once a petition has been received, the Petition Officer will assign the petition to a Democratic Services Officer, who will be responsible for advising the Petition Organiser on the action to be taken by the authority. A Democratic Services Officer will acknowledge and advise the Petition Organiser within 10 working days.

**Petition Guidelines – Types of Petition**

**Ordinary Petitions**

The petition must relate to functions for which the Council has powers or duties [follow this link for more information: Council Structure], or to improvements in the economic, social or environmental welfare of Cambridgeshire, to which the Council, or any of its partners, can contribute.

**Format of Petitions**

Petitions submitted to the Council must include the following:

- A clear statement of your concerns and what you want the Council to do.
- The name and contact details of the Petition Organiser, who should be a local person*. This may be either a postal address or e-mail. This is the person we will contact to explain how we will respond to the petition and to discuss matters of process.
- The name (preferably in block capitals) and full address of each local person* who signs it. This will help the Council assess the extent to which the views expressed represent a particular locality. Where the petition is in paper form, this should include an actual signature. Where the petition is submitted in electronic form a list of the names and addresses will suffice.

* A ‘local person’ is anyone who lives, owns a business, or works in the area (business address to be recorded where appropriate), or who attends a school or college in the area at the time the petition is submitted.

**Speaking at Council/Committee Meetings**

The Petition Organiser, or their nominee** will be able to speak at the meeting providing the following conditions are met:

- The petition must relate to the powers and duties of that committee / body.
- It must be signed by at least 50 ‘local people’ *** who have an interest in the subject of the petition - the addresses of the signatories must be included for this purpose.
- The petition must be received by no later than 9.00 a.m. 5 working days before the meeting.
• It must be accepted by the Chairman/woman of the Committee for presentation at the meeting. This is likely to be agreed unless there are exceptional circumstances.

** County Councillors will not usually be allowed to speak to petitions under this procedure as they have other opportunities to make their views known. This may however be allowed where the Councillor has a prejudicial interest preventing them from speaking to a report, or where the Petition Organiser or other representative of the petitioners is unable to attend the meeting. In these circumstances the Chairman/woman of the meeting concerned will be consulted and asked to exercise their discretion to allow a County Councillor to present the petition.

*** A ‘local person’ is anyone who lives, owns a business, or works in the area (business address to be recorded where appropriate), or who attends a school or college in the area at the time the petition is submitted.

Process at the Meeting

If there is an item / report on the agenda which relates to the petition, the Petition Organiser will usually be asked to make their presentation at the beginning of that item. The meeting will take into account the views expressed in the petition when reaching a decision on the issue. Time for presenting a petition will be limited to 3 minutes. The Chairman/woman of the meeting may extend the time allowed, but only in exceptional circumstances. Once they have spoken to the meeting, Councillors may wish to ask them questions about the petition. The person presenting the petition will not be allowed to take part in the subsequent debate on the petition unless the Chairman/woman considers it appropriate with the agreement of the Committee.

If there is no relevant item on the agenda, petitions will usually be heard at the start of the meeting. The petition after its presentation cannot normally be discussed at the meeting. However the petition will be considered informally by the relevant officer and Councillors following the meeting. This could involve a report being made to a future meeting of the Committee.

Petition Organisers will either receive from the Chairman/woman of the meeting a written confirmation of the outcome of their petition within ten working days of the meeting, or where the outcome is not yet known, will within ten working days of the meeting receive an update on the action proposed, and written confirmation of the outcome from the Chairman/woman as soon as reasonably possible.

If your petition is about something over which the Council has no direct control, the Council will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and where possible, will liaise with these partners to respond to your petition. If the Council is not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then it will set out the reasons for this in the Council’s response to the Petition Organiser.
Petitions for Debate at Council

If a petition contains at least 3,000 signatures, the Petition Organiser can ask for it to be debated at a meeting of Full Council. This means that the issue raised in the petition will be discussed at a public meeting which all Councillors can attend. The Council will endeavour to consider the petition at its next meeting, although on some occasions this may not be possible and consideration will be deferred to the following meeting.

The Petition Organiser, or nominee, may speak to a petition presented at the Council meeting provided that the above conditions are met.

The Petition Organiser, or nominee, will be given 5 minutes to present the petition at the meeting and the petition may be discussed by Councillors for a maximum of up to 15 minutes. The Council will decide how to respond to the petition at this meeting. It may decide to take the action the petition requests, not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by the relevant committee. Where the Petition Organiser does not attend the meeting, they will receive written confirmation of this decision within ten working days of the meeting.

Exclusions

Certain petitions are not covered by this Scheme and are dealt with under separate processes. These are:

- Petitions relating to planning applications. These are considered by the Council’s Planning Committee. Further details on how you can make your views known to the Committee can be found via the following link: Planning Committee

- Petitions relating to traffic regulation orders. These are considered by the Head of Local Infrastructure and Street Management in consultation with the Local Members for all districts except Cambridge City.

- Petitions in response to consultation on a specific issue or proposal. These should be sent to the return address as detailed in the relevant consultation document.

- Statutory petitions (for example requesting a referendum on having an elected mayor)

- A matter whether there is an existing right of appeal

The Council will not consider:

- Petitions that do not follow the guidelines set out in this Petition Scheme.

- Petitions that do not relate to something which is the responsibility of the authority, or over which the authority has some influence.
• Petitions disclosing matters that are personal or confidential.

• Petitions which are in the opinion of the Monitoring Officer, in consultation with the relevant committee Chairman/woman, to be libellous, rude, offensive, vexatious, abusive or otherwise inappropriate, or which are in breach of the Council’s statutory duties in respect of equality, diversity and inclusion.

• Petitions from, or submitted on behalf of a business, or person, where the main purpose of the petition is to influence a forthcoming commercial decision of the Council, or the terms and conditions of a commercial transaction.

• Duplicate petitions. Where more than one petition is received in time for a particular meeting, each supporting the same outcome, each Petition Organiser will be treated as an independent Petition Organiser, but only the organiser of the first petition to be received will be invited to address the relevant meeting.

• Repeat petitions. Petitions will not normally be considered within six months of another petition on the same matter having been considered by a committee of the Council.

Where any of the above applies, the Council’s Petitions Officer will contact the Petition Organiser to explain the reasons behind the decision.

10. MOTIONS ON NOTICE

10.1 Notice

Except for motions which can be moved without notice under Rule 11, written notice of motions for discussion at Council meetings, excluding extraordinary or special meetings of the Council or the first annual meeting of a new Council, must be delivered to the Proper Officer not later than 12.00 noon 14 days before the date of the meeting. The Proper Officer will maintain a public record of all motions submitted.

10.2 Motion set out in Agenda

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the member giving notice states, in writing, that he/she proposes to move it to a later meeting or withdraw it.

10.3 Scope

Motions must be about matters for which the Council has a responsibility or which affect the County. They may propose an addition or change to a policy framework provided that the addition or change could not reasonably have been raised when the policy framework was originally approved.
11. MOTIONS WITHOUT NOTICE

The following motions may be moved without notice:

(a) To appoint a Chairman/woman of the meeting at which the motion is moved.
(b) In relation to the accuracy of the minutes.
(c) To change the order of business in the agenda.
(d) To refer something to an appropriate body or individual.
(e) To appoint a committee or member arising from an item on the summons for the meeting.
(f) To receive reports or adoption of recommendations of committees or officers and any resolutions following from them.
(g) To withdraw a motion.
(h) To amend a motion.
(i) To proceed to the next business.
(j) That the question be now put.
(k) To adjourn a debate.
(l) To adjourn a meeting.
(m) To suspend a particular Council Procedure Rule.
(n) To exclude the public and press in accordance with the Access to Information Rules.
(o) To not hear further a member named under Rule 19.3 or to exclude them him/her from the meeting under Rule 19.4.
(p) To give the consent of the Council where its consent is required by this Constitution.

12. RULES OF DEBATE

12.1 No Speeches Until Motion Seconded

No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

12.2 Right to Require Motion or Amendment In Writing

Unless notice of the motion or amendment has already been given, the Chairman/woman may require it to be written down and handed to him/her before it is discussed.

12.3 Seconder’s Speech

When seconding a motion or amendment, a member may reserve his/her speech until later in the debate.

12.4 Content and Length of Speeches

Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed 5 minutes without the consent of the Chairman/woman.
12.5 **When a Member may Speak Again**

A member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

(a) To speak once on an amendment moved by another member.
(b) To move a further amendment if the motion has been amended since he/she last spoke.
(c) If his/her first speech was on an amendment moved by another member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried).
(d) In exercise of a right of reply.
(e) On a point of order.
(f) By way of personal explanation.

12.6 **Amendments to Motions**

(a) An amendment to a motion must be relevant to the motion and will either be:

(i) To refer the matter to an appropriate body or individual for consideration or reconsideration.
(ii) To leave out words.
(iii) To leave out words and insert or add others.
(iv) To insert or add words.
(v) As long as the effect of (ii) to (iv) is not to negate the motion.

(b) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.

(c) If an amendment is not carried, other amendments to the original motion may be moved.

(d) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

(e) After an amendment has been carried, the Chairman/woman will advise the meeting of the content of the amended motion before accepting any further amendments, or if there are none, put it to the vote.

12.7 **Alteration of Motion**

(a) A member may alter a motion of which he/she has given notice with the consent of the meeting. The meeting’s consent will be signified without discussion.

(b) A member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting’s consent will be signified without discussion.
(c) Only alterations to the motion which could be made as an amendment may be made.

12.8 Withdrawal of Motion

A member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting’s consent will be signified without discussion. No member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

12.9 Right of Reply

(a) The mover of a motion, whether amended or not, has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.

(b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.

(c) The mover of the amendment has no right of reply to the debate on his/her amendment.

12.10 Motions which may be Moved During Debate

When a motion is under debate, no other motion may be moved except the following procedural motions:

(a) To withdraw a motion.
(b) To amend a motion.
(c) To proceed to the next business.
(d) That the question be now put.
(e) To adjourn a debate.
(f) To adjourn a meeting.
(g) To exclude the public and press in accordance with the Access to Information Rules.
(h) To not hear further a member named under Rule 19.3 or to exclude them him/her from the meeting under Rule 19.4.

12.11 Closure Motions

(a) A member may move, without comment, the following motions at the end of a speech of another member:

(i) to proceed to the next business.
(ii) that the question be now put.
(iii) to adjourn a debate.
(iv) to adjourn a meeting.
(b) If a motion to proceed to next business is seconded and the Chairman/woman thinks the item has been sufficiently discussed, he/she will give the mover of the original motion a right of reply and then put the procedural motion to the vote.

(c) If a motion that the question be now put is seconded and the Chairman/woman thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote. If it is passed he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.

(d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chairman/woman thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

12.12 **Point of Order**

A member may raise a point of order at any time. The Chairman/woman will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The member must indicate the rule or law and the way in which he/she considers it has been broken. The ruling of the Chairman/woman on the matter will be final.

12.13 **Personal Explanation**

A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate. The ruling of the Chairman/woman on the admissibility of a personal explanation shall be final.

13. **STATE OF COUNTY DEBATE**

13.1 The Chairman/woman, in consultation with the Leader, may convene meetings of the Council to discuss matters relating to the state of the County. The application of these Rules to such meetings may be varied in accordance with a detailed protocol agreed by the Council.

14. **PREVIOUS DECISIONS AND MOTIONS**

14.1 **Motion to Rescind a Previous Decision**

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least a third of members.
14.2 **Motion Similar to One Previously Rejected**

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least a third of members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

15. **VOTING**

15.1 **Majority**

Unless this Constitution provides otherwise, any matter will be decided by a simple majority of those members voting and present in the room at the time the question was put.

15.2 **Chairman/woman’s Casting Vote**

If there are equal numbers of votes for and against, the Chairman/woman will have a second or casting vote. There will be no restriction on how the Chairman/woman chooses to exercise a casting vote.

15.3 **Method of Voting**

Unless a recorded vote is demanded under Rule 15.5 or required under Rule 15.6 or the Chairman/woman determines that the vote will be by means of the electronic voting system under Rule 15.4, or by ballots under Rule 15.9, the Chairman/woman will take the vote by show of hands, or if there is no dissent, by the affirmation of the meeting.

15.4 **Electronic Voting**

Where indicated by the Chairman/woman presiding at the meeting, voting may be by means of the electronic voting system. The result of the vote shall be as indicated by the electronic voting system announced by the person presiding at the meeting.

The results of all electronic votes shall be published as a PDF version of the notepad document (as produced by the voting system) on an appropriate page on the Council’s website.

15.5 **Recorded Vote**

If 14 members present at the meeting demand it, the names for and against the motion or amendment or abstaining from voting will be recorded and entered into the minutes. A demand for a recorded vote will override a demand for a ballot.
15.6 **Recorded Vote at Annual Budget Meeting**

Voting in relation to the annual budget setting, including motions and amendments, shall be by recorded vote. There shall be recorded in the Minutes of the meeting the names of those Members who cast a vote for the decision or against the decision or who abstained from voting.

15.7 **Right to Require Individual Vote to be Recorded**

Where any member requests it immediately after the vote is taken, his/her vote will be so recorded in the minutes to show whether he/she voted for or against the motion or abstained from voting.

15.8 **Voting by Political Groups**

The pattern of voting by the Political Groups will be recorded for all decisions taken at Council meetings.

15.9 **Voting on Appointments**

If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person. Alternatively, the Chairman/woman may determine that voting on appointment be by means of a ballot.

16. **MINUTES**

16.1 **Signing the Minutes**

The Chairman/woman will sign the minutes of the proceedings at the next suitable meeting. The Chairman/woman will move that the minutes of the previous meeting be signed as a correct record. The only part of the minutes that can be discussed is their accuracy.

16.2 **No Requirement to Sign Minutes of Previous Meeting at Extraordinary Meeting**

The minutes of any meeting shall be signed at the next ordinary meeting (but not at an extraordinary meeting called under paragraph 3 of Schedule 12 to the Local Government Act 1972).

17. **RECORD OF ATTENDANCE**

All members present during the whole or part of a meeting must sign their names on the attendance sheets before the conclusion of every meeting to assist with the record of attendance.
18. **EXCLUSION OF PUBLIC**

Members of the public and press may only be excluded either in accordance with the Access to Information Rules in Part 4 of this Constitution or Rule 20 (Disturbance by Public).

19. **MEMBERS’ CONDUCT**

19.1 **Standing to Speak**

When a member speaks at full Council he/she must stand and address the meeting through the Chairman/woman. If more than one member stands, the Chairman/woman will ask one to speak and the others must sit. Other members must remain seated whilst a member is speaking unless they wish to make a point of order or a point of personal explanation.

19.2 **Chairman/woman Standing**

When the Chairman/woman stands during a debate, any member speaking at the time must stop and sit down. The meeting must be silent.

19.3 **Member not to be Heard Further**

If a member persistently disregards the ruling of the Chairman/woman by behaving improperly or offensively or deliberately obstructs business, the Chairman/woman may move that the member be not heard further. If seconded, the motion will be voted on without discussion.

19.4 **Member to Leave the Meeting**

If the member continues to behave improperly after such a motion is carried, the Chairman/woman may move that either the member leaves the meeting or that the meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

19.5 **General Disturbance**

If there is a general disturbance making orderly business impossible, the Chairman/woman may adjourn the meeting for as long as he/she thinks necessary.

20. **DISTURBANCE BY PUBLIC**

20.1 **Removal of Member of the Public**

If a member of the public interrupts proceedings, the Chairman/woman will warn the person concerned. If he/she continues to interrupt, the Chairman/woman will order his/her removal from the meeting room.
20.2 Clearance of Part of Meeting Room

If there is a general disturbance in any part of the meeting room open to the public, the Chairman/woman may call for that part to be cleared.

21. PHOTOGRAPHY AND AUDIO RECORDINGS OF MEETINGS

The Council supports the principle of transparency and encourages filming, recording and taking photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements will operate in accordance with a protocol agreed by the Chairman/woman of the Council and political Group Leaders. This protocol will be published on the Council’s website.

22. ELECTRONIC COMMUNICATION

Where these Rules require that written notice is given to the Proper Officer, such notice will also be deemed to have been given if received by the Proper Officer by email or fax within the specified deadline.

23. SUSPENSION AND AMENDMENT OF COUNCIL PROCEDURE RULES

23.1 Suspension

All of these Council Rules of Procedure except Rules 15.6, 15.7 and 16.2 may be suspended by motion on notice or without notice if at least one half of the whole number of members of the Council are present. Suspension can only be for the duration of the meeting.

23.2 Amendment

Any motion to add to, vary or revoke these Council Rules of Procedure will, when proposed and seconded, stand adjourned without discussion to be dealt with at the next ordinary meeting of the Council.
ACCESS TO INFORMATION PROCEDURE RULES

1. SCOPE

These rules apply to all meetings of the Council, to regulatory committees and to any other formal committees and sub-committees established by the Council (together called meetings).

2. ADDITIONAL RIGHTS TO INFORMATION

These rules do not affect any more specific rights to information contained elsewhere in this Constitution or the law; for example the Freedom of Information Act and the Data Protection Act.

Previously exempt information may subsequently be made available if the reason for exemption no longer applies.

3. RIGHTS TO ATTEND MEETINGS

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

4. NOTICES OF MEETINGS

The Council will give at least five clear days’ notice of any meeting by publishing details on its website and making copies of such a notice available at its offices at Shire Hall, Cambridge.

5. ACCESS TO AGENDA AND REPORTS BEFORE THE MEETING

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

6. SUPPLY OF COPIES

The Council will supply copies of the following:

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

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

(c) If the Proper Officer thinks fit, copies of any other documents supplied to Councillors in connection with an item

to any person on payment of a charge for postage and any other costs.
7. ACCESS TO MINUTES ETC AFTER THE MEETING

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

(a) The minutes of the meeting or records of decisions taken, together with reasons, for all meetings of formal committees and decisions taken by officers as indicated in Rule 8 below, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information.

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

(c) The agenda for the meeting.

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

8. RECORD OF DECISIONS TAKEN BY OFFICERS

8.1 As soon as reasonable practicable after an officer has made a decision either:-

(a) under an express authorisation from the Council, its committees, sub committees or any joint committee; or

(b) under a general authorisation where the effect of the decision is to:-

(i) grant a permission or licence;
(ii) affect the rights of an individual;
(iii) award contracts or incur expenditure over £250,000.

a written statement will be produced which includes:-

- a record of the decision including the date it was made;
- a record of the reasons for the decision;
- details of any alternative options considered and rejected by the officer making the decision; and
- a record of the name of any member of the Council who has declared an interest (for decisions taken under Rule 8.1 (a) (an express delegation) only).

8.2 Any record prepared in accordance with Rule 8.1, together with any background papers considered by the officer and relevant to the decision shall be made available for public inspection.

8.3 Rules 8.1 and 8.2 shall not apply to:-
(a) routine administrative and operational decisions;
(b) decisions on operational matters such as day to day variations in services;
(c) decisions if the whole or part of the record contains confidential or exempt information; and
(d) decisions that are already required to be published by other legislation, provided the record published includes the date the decision was taken and the reasons for the decision.

9. **BACKGROUND PAPERS**

9.1 **List of Background Papers**

The Proper Officer will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his/her opinion:

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

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

but does not include published works or those which disclose exempt or confidential information (as defined in Rule 11).

9.2 **Public Inspection of Background Papers**

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

10. **SUMMARY OF PUBLIC’S RIGHTS**

A written summary of the public’s rights to attend meetings and to inspect and copy documents must be kept at and available to the public at the Shire Hall, Cambridge.

11. **EXCLUSION OF ACCESS BY THE PUBLIC TO MEETINGS**

11.1 **Confidential Information – Requirement to Exclude Public**

The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.
11.2 **Exempt Information – Discretion to Exclude Public**

The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed. Information is only exempt if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

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

11.3 **Meaning of Confidential Information**

Confidential information means information given to the Council by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by or under any enactment or by the order of a court.

11.4 **Meaning of Exempt Information**

Exempt information means information falling within the following seven categories but subject to the conditions set out in Paragraph 11.5 and interpretation set out in paragraph 11.6 below:

1. Information relating to any individual.
2. Information which is likely to reveal the identity of an individual.
3. Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4. Information relating to any consultations or negotiations, or contemplated consultations or negotiations, in connection with any labour relations matter arising between the authority or a Minister of the Crown and employees of, or office holders under, the authority.
5. Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6. Information which reveals that the authority proposes
   (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or
   (b) to make an order or direction under any enactment.
7. Information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime.

11.5 **Conditions Relating to Exempt Information**

1. Information falling within paragraph 11.4 (3) above is not exempt information by virtue of that paragraph if it is required to be registered under:
(a) the Companies Act 1985;
(b) the Friendly Societies Act 1974;
(c) the Friendly Societies Act 1992;
(d) the Industrial and Provident Societies Acts 1965 to 1978;
(e) the Building Societies Act 1986; or
(f) the Charities Act 1993

2. Information is not exempt information if it relates to proposed development for which the local planning authority may grant itself planning permission pursuant to regulation 3 of the Town and Country Planning General Regulations 1992.

3. Information which:

   (a) falls within any of paragraphs 11.4 (1) to (7) above; and
   (b) is not prevented from being exempt by virtue of sub-paragraph 1 or 2 above

is exempt information if and so long, as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

11.6 Interpretation of Exempt Information

In paragraph 11.4 and 11.5:

"employee" means a person employed under a contract of service;

"financial or business affairs" includes contemplated, as well as past or current, activities;

"labour relations matter" means—

(a) any of the matters specified in paragraphs (a) to (g) of section 218(1) of the Trade Union and Labour Relations (Consolidation) Act 1992 (matters which may be the subject of a trade dispute, within the meaning of that Act); or
(b) any dispute about a matter falling within paragraph (a) above;

and for the purposes of this definition the enactments mentioned in paragraph (a) above, with the necessary modifications, shall apply in relation to office-holders under the authority as they apply in relation to employees of the authority;

"office-holder", in relation to the authority, means the holder of any paid office appointments to which are or may be made or confirmed by the authority or by any joint board on which the authority is represented or by any person who holds any such office or is an employee of the authority;
"registered" in relation to information required to be registered under the Building Societies Act 1986, means recorded in the public file of any building society (within the meaning of that Act).

12. **EXCLUSION OF ACCESS BY THE PUBLIC TO REPORTS**

If the Proper Officer thinks fit, the Council may exclude access by the public to reports which in his/her opinion relate to items during which, in accordance with Rule 11, the meeting is likely not to be open to the public. Such reports will be marked “Not for publication” together with the category of information likely to be disclosed.

13. **THE FORWARD PLAN**

13.1 Every month the Council will publish a document which sets out, in respect of each key decision that will be taken on behalf of the Council:

(a) That a key decision is to be made on behalf of the Council.

(b) The matter in respect of which a decision is to be made.

(c) Where the decision maker is an individual, his/her name and title, if any, and where the decision maker is a body, its name and details of membership.

(d) The date on which, or the period within which, the decision is to be made.

(e) A list of the documents submitted to the decision maker for consideration in relation to the matter.

(f) The address from which, subject to any prohibition or restriction on their disclosure, copies of, or extracts from, any document listed is available.

(g) That other documents relevant to those matters may be submitted to the decision taker.

(h) The procedure for requesting details of those documents (if any) as they become available.

13.2 This notice will be known as the ‘Forward Plan’ and it will be published at least 28 days before any key decision set out in the document is due to be made. The Forward Plan will be available for inspection by the public at Shire Hall, Cambridge and will be published on the Council’s website.

13.3 Each Service Committee will publish every month a document which sets out each item to be considered by the said Committee including key decisions published in the Forward Plan.
14. GENERAL EXCEPTION

If 28 days’ notice of a matter which is likely to be a Key Decision has not been provided (via the Forward Plan) because the decision must be taken by such a date that it would be impracticable to defer it, then subject to Rule 15 (special urgency), and to the requirements of the Procedure for Taking Urgent Decisions at Part 4.4(a), the decision may still be taken if:

(a) The Monitoring Officer has been informed of the reasons for urgency, and is satisfied that the reasons satisfy the criteria for urgent decisions, and that the decision must be taken with less than 28 days’ notice.

(b) The Monitoring Officer has placed notification of the date and nature of the forthcoming decision and the reasons for urgency on the Council’s website.

(c) At least five clear days have elapsed since the Monitoring Officer complied with conditions (a) and (b).

If the Monitoring Officer is not available to act, then the Chief Executive shall act in his/her place.

15. SPECIAL URGENCY

If by virtue of the date by which a decision must be taken Rule 14 (general exception) cannot be followed, then the decision can only be taken if the decision taker (if an individual) or the Chairman/woman of the body making the decision, obtains the agreement of the Chairman/woman of the Council, or in his/her absence the Vice-Chairman/woman will suffice.

16. COUNCILLORS’ ADDITIONAL RIGHTS

Attendance at Meetings

Part 4.4 – Procedure Rules for Committees and Sub-Committee Meeting set out the provisions that apply to Councillors who wish to attend meetings of which they are not a member.

Access to Information

Councillors may request officers to provide them with any information they reasonably require to assist them in fulfilling their responsibilities as elected representatives. However, Councillors may not be able to access information which in the opinion of the Monitoring Officer is in draft form, contains confidential or exempt information as defined in this section, or where disclosure would breach the provisions of the Data Protection Act.
BUDGET AND POLICY FRAMEWORK PROCEDURE RULES

1. **The Framework for Decisions**

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

2. **General Purposes Committee Leads Process**

   (a) The General Purposes Committee will publicise by including in the Forward Plan and on the Council’s website a timetable for making proposals to the Council for the adoption of any plan, strategy or budget that forms part of the budget and policy framework, and its arrangements for consultation after publication of those initial proposals. The General Purposes Committee will ensure that the consultation process is adequate and allows for meaningful dialogue with those involved.

   (b) At the end of that period, the General Purposes Committee will then draw up firm proposals having regard to the responses to that consultation. The General Purposes Committee will take any response into account in drawing up firm proposals for submission to the Council, and its report to Council will reflect the comments made by consultees and the General Purposes Committee’s response.

   (c) Once the General Purposes Committee has approved the firm proposals, the Proper Officer will refer them at the earliest opportunity to the Council for decision.

   (d) In reaching a decision, the Council may adopt the General Purposes Committee’s proposals, amend them, refer them back to the Committee for further consideration, or in principle, substitute its own proposals in their place.

   (e) If it accepts the recommendation of the General Purposes Committee without amendment, the Council may make a decision which has immediate effect. Otherwise, it may only make an in-principle decision. In either case, the decision will be made on the basis of a simple majority of votes cast at the meeting.

   (f) The decision will be published within one working day in accordance with Article 4 and notified to the Chairman/woman of the General Purposes Committee.

   (g) An in-principle decision will automatically become effective two working days from the date of the Council’s decision.
3. **Decisions Outside the Budget or Policy Framework**

(a) Subject to the virement provisions in the Financial and Contract Procedure Rules, Committees of the Council and any officers, area committees or joint arrangements discharging Council functions may only take decisions which are in line with the budget and policy framework. If any of these bodies or persons wishes to make a decision which is contrary to the policy framework, or contrary to or not wholly in accordance with the budget approved by Full Council, then that decision may only be taken by the Council, subject to paragraph 4 below.

(b) If the Committee and any officers, area committees or joint arrangements discharging Council functions want to make such a decision, they shall take advice from the Monitoring Officer and/or the Chief Financial Officer as to whether the decision they want to make would be contrary to the policy framework, or contrary to or not wholly in accordance with the budget. If the advice of either of those officers is that the decision would not be in line with the existing budget and/or policy framework, then the decision must be referred by that body or person to the Council for decision, unless the decision is a matter of urgency, in which case the provisions in paragraph 4 (urgent decisions outside the budget and policy framework) shall apply.

4. **Urgent Decisions Outside the Budget or Policy Framework**

(a) The Committee of the Council or officers, area committees or joint arrangements discharging Council functions may take a decision which is contrary to the Council’s policy framework or contrary to or not wholly in accordance with the budget approved by full Council if the decision is a matter of urgency. However, the decision may only be taken:

(i) if it is not practical to convene a quorate meeting of the full Council; and

(ii) if the Chairman/woman of the General Purposes Committee agrees that the decision is a matter of urgency.

The reasons why it is not practical to convene a quorate meeting of full Council to the decision being taken as a matter of urgency must be noted on the record of the decision. In the absence of the Chairman/woman of the General Purposes Committee the consent of the Chairman/woman of the Council and, in the absence of both, the Vice-Chairman/woman, will be sufficient.

(b) Following the decision, the decision taker will provide a full report to the next available Council meeting explaining the decision, the reasons for it and why the decision was treated as a matter of urgency.
5. **In-Year Changes to Policy Framework**

The responsibility for agreeing the budget and policy framework lies with the Council, and decisions by a committee of the Council or officers, area committees or joint arrangements discharging Council functions must be in line with it. No changes to any policy and strategy which make up the policy framework may be made by those bodies or individuals except those changes:

(a) Which will result in the closure, discontinuance or restriction of a service or part of service to meet a budgetary constraint (and shall be reported to the next Council meeting).

(b) Necessary to ensure compliance with the law, ministerial direction or Government guidance (and shall be reported to the next Council meeting).

(c) In relation to the policy framework in respect of a policy which would normally be agreed annually by the Council following consultation, but where the existing policy document is silent on the matter under consideration (and shall be reported to the next Council meeting).

6. **Decision Review Procedure of Decisions Outside the Budget or Policy Framework**

The Part 4.5 – Decision Review Procedure set out the provisions that apply to review of decisions taken by Committees and officers.
PROCEDURE RULES FOR COMMITTEE AND SUB-COMMITTEE MEETINGS

1. INTRODUCTION

These rules are designed to ensure meetings run smoothly and are conducted properly. The rules apply to all Committees of the Council except for the following:

- Pension Fund Committee and Investment Sub-Committee and Pension Fund Board (special rules of procedure apply as shown in Annex 1)
- Cambridgeshire Health and Wellbeing Board (Standing Order applies as shown in Annex 2)
- Joint Committees.

So far as the law allows any of these rules may be suspended at any meeting, either for the whole meeting or for a particular item on the agenda. In order to achieve this, a motion must be moved and seconded and a vote carried.

2. ARRANGEMENTS FOR MEETINGS

The agenda and papers for meetings must be available at least five clear working days before the meeting.

A special meeting is arranged if the chairman/woman of the relevant committee or any six of its members request such a meeting, or by the Monitoring Officer if he/she considers it necessary.

The Monitoring Officer may, after consultation with the Chairman/woman of the relevant committee, cancel a meeting, if he/she is satisfied that there is insufficient business to be transacted or if he/she is satisfied that this is the appropriate course of action.

3. CHAIRMAN/WOMAN OF MEETING

The person presiding at the meeting may exercise any power or duty of the Chairman/woman.

If any issues arise at a meeting in relation to interpretation of the procedure rules, the Chairman/woman’s decision will be final.

4. QUORUM

The quorum of a meeting will be one quarter of the whole number of voting members. During any meeting if the Chairman/woman counts the number of members present and declares there is not a quorum present, then the meeting will adjourn immediately. Remaining business will be considered at a time and date fixed by the Chairman/woman. If the Chairman/woman does not fix a date, the remaining business will be considered at the next ordinary meeting.
5. **ORDER OF BUSINESS**

The order of business will usually be:

- at the first meeting after the annual Council meeting, appointing or noting the appointment of the Chairman/woman and Vice-Chairman/woman of the committee
- the choice of a person to preside if the Chairman/woman and Vice-Chairman/woman are absent
- confirmation of the minutes of the last meeting of the committee
- apologies for absence, including reasons
- declarations of interest
- business outstanding from the last meeting
- reports for decision by committee
- items requested by a Councillor, which the relevant Executive/Corporate Director, after consultation with the committee spokesmen/women has agreed should be included on the agenda.
- reports for information if updating, at the specific request of the Committee, progress of decisions previously agreed by a Committee.
- training plan including figures for attendance at each training session.
- agenda plan (if applicable).

6. **OTHER POINTS REGARDING THE ORDER OF BUSINESS**

At any time during the meeting the Chairman/woman can adjourn the meeting.

The order of business can be varied at the discretion of the Chairman/woman.

The minutes of ordinary meetings will not normally be confirmed at special meetings.

7. **AGENDA ITEMS REQUESTED BY COUNCILLORS**

Any Councillor who wishes an item relevant to the functions of a committee to be included on the agenda of that committee shall register a request with their spokesman/woman for that committee. The spokesman/woman shall refer the matter to the next available meeting of committee spokesmen/women. The relevant Executive Director, after consultation with the committee spokesmen/women, shall be authorised to determine whether the item should be included on the agenda of the next available or a subsequent meeting. Where so approved, the Democratic Services Manager shall arrange for the item to be included on an agenda in accordance with the agreed timescale, subject to compliance with statutory notice requirements, and shall notify the Councillor who requested the item accordingly. Where the request is not approved, the Democratic Services Manager will arrange to inform the Councillor of the reasons why the Executive Director, after consultation with the committee spokesmen/women, has decided not to include the item on an agenda of the committee.
8. **DECLARATIONS OF INTEREST**

Under the Localism Act 2011 and as part of the Code of Member Conduct, Members are required by law to complete a declaration of Disclosable Pecuniary Interests and Non Statutory Disclosable Interests. If a Member is at a meeting that is considering something in which he/she has a Disclosable Pecuniary Interest and that interest has not been registered, he/she must declare the interest and inform the Monitoring Officer within 28 days of the meeting.

Where any Councillor has a Disclosable Pecuniary Interest in any matter, they will declare it and leave the room in which the meeting is being held while the matter is under consideration unless:

- the Monitoring Officer has granted them a dispensation; or
- the matter is only under consideration by the meeting as part of a report of the Minutes of a committee or sub-committee and is not itself the subject of debate.

If the Councillor has chosen to remain within easy reach, that Councillor will be recalled by an appropriate officer before any further business is started.

Any person or officer of the authority who is appointed to do anything in connection with the County Council which enables them to speak at meetings, will make the same disclosures of interests and will withdraw from the room in which the meeting is being held on the same occasions as they would have to do if they were a County Councillor. This does not apply to members of the public who are entitled to speak at Planning Committee.

9. **PUBLIC SPEAKING AT COUNTY COUNCIL COMMITTEES**

9.1 **Public Speaking at County Council Committee Meetings**

The County Council recognises the value that can be added by enabling contributions by the public to meetings of council committees and in order to facilitate this, the Chairman/woman or the person presiding at a meeting of a council committee may, at their absolute discretion, grant permission to a member of the public to speak during the meeting.

Speakers will usually only be permitted to speak once in any debate and speeches will usually be time limited to three minutes. Permission to speak may be refused in circumstances where this is not conducive to the orderly conduct of council business including where it is likely, in the opinion of the Chairman/ woman, that defamatory, vexatious, discriminatory or offensive language will be used.

Permission to speak may also be declined if the anticipated contribution is not relevant to the agenda items of the meeting.

In order to assist meeting organisers members of the public* wishing to speak at a Committee meeting** are asked to make a request in writing no later than 12.00 noon three working days before the meeting via letter to the Democratic Services
Officer, Democratic and Members’ Services, SH1102, Cambridgeshire County Council, Shire Hall, Cambridge CB3 0AP or via e-mail (this information is available at the bottom of the agenda front sheet) and provide the following details:

- **Name, address and contact details** of the person making a comment or asking a question

- **Details of the request to speak**: The full text of the question to be asked or a list of the main points regarding a comment about a matter on the agenda.

(Requests to speak received after the three day deadline may be permitted, at the discretion of the relevant Committee Chairman/woman.)

9.2 **Participating in a Committee Meeting**

If registered to speak, members of the public should arrive at the venue (usually Shire Hall) at least 15 minutes before the start of the meeting and report to the Democratic Services Officer present. The register of speakers will be kept by Democratic Services and provided to the Chairman/woman in advance of the meeting. No more than three speakers will normally be permitted per subject at a meeting (subject to the Chairman/woman’s discretion). Only one question or comment may be allowed per speaker.

When the meeting reaches the agenda item, the Chairman/woman will ask the member of the public to speak. The member of the public is asked to behave appropriately for the nature of the meeting, and show courtesy and respect to everyone present. He/she should not make any remarks which are offensive, defamatory, insulting or discriminatory. The time limit to pose a question or make a comment will be three minutes for each speaker. The Democratic Services Officer will time each speaker to ensure that he/she does not exceed three minutes. The member of the public must cease speaking when so instructed by the Chairman/woman. The Chairman/woman may allow questions from Committee members to the speaker for clarification only.

The Chairman/woman will deal with the question or statement, or request that an appropriate Member or Officer reply orally. If this is not possible, the member of the public will be provided with a written answer using the contact details provided within ten working days.

If there should be a large number of requests for public speaking regarding one or more items on the agenda, the Chairman/woman may take steps to ensure that the meeting can be conducted in an appropriate fashion; for example, move the agenda item to the beginning of the meeting or limit the number of speakers. If the Chairman/woman should decide to limit the number of speakers, the Democratic Services Officer will ensure that all steps are taken to inform the “unsuccessful” speakers in advance and a written reply will be sent within ten working days after the meeting.

This process does not apply to County Councillors as their speaking rights as non-Committee members are covered in the Council’s Constitution under
Part 4.4, paragraph 18. It also does not apply to employees of the Council except when acting as Trades Union representatives or private individuals, as they have sufficient channels of communication, both internally and through their representative bodies.

* For the purposes of this guide a “member of the public” is defined simply as anyone who lives or works in Cambridgeshire or is affected by a decision made in Cambridgeshire.

** This procedure does not apply to meetings of Full Council and Planning Committee as these meetings have their own procedures.

10. PETITIONS TO COMMITTEES

10.1 The Council will treat something as a petition if it is identified as being a petition, or if it seems to us that it is intended to be a petition and it meets the criteria set out in the Petition Scheme. The Petition Scheme is set out in full in the Council Procedure Rules (Constitution Part 4.1), and includes guidance on submitting petitions, on types of petition that the Council will and will not consider, and on what action the Council may take when it receives a petition.

The following paragraphs relate to petitions that have been referred to one of the Council’s Committees or Sub-Committees.

10.2 Speaking at Council/Committee Meetings

The Petition Organiser, or their nominee** will be able to speak at the meeting providing the following conditions are met:

• The petition must relate to the powers and duties of that committee / body.

• It must be signed by at least 50 ‘local people’ *** who have an interest in the subject of the petition - the addresses of the signatories must be included for this purpose.

• The petition must be received by no later than 9.00 a.m. 5 working days before the meeting.

• It must be accepted by the Chairman/woman of the Committee for presentation at the meeting. This is likely to be agreed unless there are exceptional circumstances.

** County Councillors will not usually be allowed to speak to petitions under this procedure as they have other opportunities to make their views known. This may however be allowed where the Councillor has a prejudicial interest preventing them from speaking to a report, or where the Petition Organiser or other representative of the petitioners is unable to attend the meeting. In these circumstances the Chairman/woman of the meeting concerned will be consulted and asked to exercise their discretion to allow a County Councillor to present the petition.
A ‘local person’ is anyone who lives, owns a business, or works in the area (business address to be recorded where appropriate), or who attends a school or college in the area at the time the petition is submitted.

10.3 Process at Meeting

If there is an item / report on the agenda which relates to the petition, the Petition Organiser will usually be asked to make their presentation at the beginning of that item. The meeting will take into account the views expressed in the petition when reaching a decision on the issue. Time for presenting a petition will be limited to 3 minutes. The Chairman/woman of the meeting may extend the time allowed, but only in exceptional circumstances. Once they have spoken to the meeting, Councillors may wish to ask them questions about the petition. The person presenting the petition will not be allowed to take part in the subsequent debate on the petition unless the Chairman/woman considers it appropriate with the agreement of the Committee.

If there is no relevant item on the agenda, petitions will usually be heard at the start of the meeting. The petition after its presentation cannot normally be discussed at the meeting. However the petition will be considered informally by the relevant officer and Councillors following the meeting. This could involve a report being made to a future meeting of the Committee.

Petition Organisers will either receive from the Chairman/woman of the meeting a written confirmation of the outcome of their petition within ten working days of the meeting, or where the outcome is not yet known, will within ten working days of the meeting receive an update on the action proposed, and written confirmation of the outcome from the Chairman/woman as soon as reasonably possible.

If your petition is about something over which the Council has no direct control, the Council will consider making representations on behalf of the community to the relevant body. The Council works with a large number of local partners and where possible, will liaise with these partners to respond to your petition. If the Council is not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then it will set out the reasons for this in the Council’s response to the Petition Organiser.

11. CONSIDERATION OF RECOMMENDATIONS IN REPORTS

Officers’ recommendations are deemed to be moved and seconded to facilitate a less bureaucratic approach to handling amendments.

Amendments to motions may be moved and seconded without notice but must be provided in writing to the Chairman/woman when being moved.
12. **MOTIONS NOT REQUIRING PRIOR WRITTEN NOTICE**

The following motions can be moved and seconded orally to ensure meetings run smoothly and are conducted properly:

- appointment of a Chairman/woman for the meeting in the absence of the Chairman/woman and Vice-Chairman/woman
- request to withdraw a motion
- that the matter be put to a vote
- that the meeting be adjourned
- variation of the order of business
- suspension of the procedure rules
- exclusion of the public
- that a named Councillor should not be heard further.

13. **THE RULES OF DEBATE**

If a Councillor wishes to speak they should indicate their intention by raising their hand.

The Chairman/woman will decide the order in which speakers will be heard. Any Councillor who wishes to speak will be given the opportunity to do so unless any of the exceptions contained in these rules of debate apply.

Councillors can speak for a maximum of 5 minutes, subject to any exceptions set out below, and the discretion of the Chairman/woman.

Councillors when speaking must address the Chairman/woman.

Councillors must speak strictly to the subject under discussion.

Any Councillor may at any time during a meeting request that the meeting be adjourned for up to one hour. The Chairman/woman of the meeting has discretion to decide whether to agree the request and, if agreed, to determine the length of any such adjournment.

If the motion has been amended since the Councillor last spoke, that Councillor may move a further amendment to the motion.

A motion may be altered with the consent of the meeting. The meeting’s consent will be signified without discussion.

14. **POINTS OF ORDER AND PERSONAL EXPLANATIONS**

With the consent of the Chairman/woman any Councillor may make a brief comment, ask a question designed to clarify a matter which has been raised, or indicate where they feel the procedure rules have not been followed. They may not introduce new material or make a speech on this.
The Chairman/woman’s ruling on this will be final and they may limit such exchanges to maintain the flow of debate.

15. **AMENDMENTS TO RECOMMENDATIONS AND MOTIONS**

Amendments to a motion can be moved or seconded by any Councillor to leave out words, to add words or both provided that such changes must not have the effect of reversing a proposal (for example to recommend approval instead of refusal) and must be relevant to the original motion.

Amendments must be dealt with and voted on one at a time, subject to the exceptions set out in the Rules of Debate.

If an amendment is not carried following a vote then alternative amendments can be moved.

If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.

After an amendment has been carried, the Chairman/woman will advise the meeting of the content of the amended motion before accepting any further amendments, or if there are none, put it to the vote.

16. **BRINGING DEBATE TO EARLY CLOSURE**

If the Chairman/woman feels there has been sufficient discussion of the issue he/she may put the motion to the vote.

17. **PREVIOUS DECISIONS AND MOTIONS**

17.1 **Motion to Rescind a Previous Decision**

A motion or amendment to rescind a decision made at a meeting of the Committee or Sub-Committee within the past six months cannot be moved unless a notice of motion is signed by at least half of members of the relevant Committee or Sub-Committee.

17.2 **Motion Similar to One Previously Rejected**

A motion or amendment in similar terms to one that has been rejected at a meeting of the Committee or Sub-Committee in the past six months cannot be moved unless a notice of motion is signed by at least half of members of the relevant Committee or Sub-Committee. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

18. **VOTING**

Votes in committee are to be determined by a show of hands.
Where there is an equal number of votes for and against a motion the Chairman/ woman can exercise a second or casting vote.

A recorded vote will be taken if 5 or more Councillors request it. The process will be as follows:

- The names of all Councillors will be called and the vote of each Councillor recorded.
- The Chairman/woman will announce the result.
- The minutes will record how each Councillor voted.

Any Committee member can require, during the item of business, that the minutes of the meeting record how they voted on any decision taken.

19. **DISORDERLY CONDUCT BY MEMBERS**

If, at any meeting, any Councillor in the opinion of the Chairman/woman of the meeting misbehaves by persistently disregarding their ruling, or by behaving improperly or offensively, or by obstructing the business of the meeting, the Chairman/woman may move ‘that [the Councillor named] should not be further heard’ and the motion, if seconded, will be voted on without discussion.

If any Councillor named continues the misconduct after a ‘should not be further heard’ motion has been carried, the Chairman/woman:

- may request the Councillor to leave the meeting; or
- may adjourn the meeting for any period considered necessary

In the event of a general disturbance which in the opinion of the Chairman/ woman makes business impossible, the Chairman/woman may adjourn the meeting for any period considered necessary and/or order that the public leave.

20. **DISTURBANCE BY PUBLIC**

**Removal of Member of the Public**

If a member of the public interrupts proceedings, the Chairman/woman will warn the person concerned. If he/she continues to interrupt, the Chairman/woman will order his/her removal from the meeting room.

**Clearance of Part of Meeting Room**

If there is a general disturbance in any part of the meeting room open to the public, the Chairman/woman may call for that part to be cleared.

21. **PHOTOGRAPHY AND AUDIO RECORDINGS OF MEETINGS**

The Council supports the principle of transparency and encourages filming, recording and taking photographs at its meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening.
as it happens. These arrangements will operate in accordance with a protocol agreed by the Chairman/woman of the Council and political Group Leaders. This protocol will be published on the Council’s website.

22. ATTENDANCE OF OTHER COUNTY COUNCILLORS

Any County Councillor who wishes to attend a meeting of a committee or sub-committee of which they are not a member will be entitled to do so. With the consent of the meeting they will be entitled to speak but not vote:

• on any matter affecting their electoral division or its inhabitants; or
• on an item which they have requested be included on the agenda in accordance with Procedure Rule 7.

A County Councillor who attends a meeting in this capacity will be entitled to remain in the meeting when a resolution excluding the public is in force.

These provisions do not apply where a committee or sub-committee is exercising a function which is judicial in nature.

23. APPOINTMENTS TO COMMITTEES

Any changes in a committee’s membership must be notified by the Group Leader or the majority of their group to the Democratic Services Manager no later than 12.00 noon five (5) clear working days before the relevant meeting.

Democratic Services will ensure that all appointments to committees are reported to the next meeting of the appropriate committee.
Annex 1

Rules of Procedure for the Pension Fund Committee, Investment Sub-Committee and Pension Fund Board

The Council’s Rules of Procedure set out in Part 4 of the Constitution apply to the Pension Fund Committee, the Investment Sub-Committee and Pension Fund Board except where they concern the following matters:

- Frequency of meetings
- Appointment of Chairman/woman and Vice Chairman/woman
- Voting Rights
- Quorum
- Training Requirement

in which case the rules are modified as necessary to accommodate the provisions set out in the table below.

| Frequency of Meetings | The Committee will meet a minimum of five times a year. The date, hour and place of routine meetings shall be fixed by the Committee, but the Chairman/woman may call additional meetings if deemed necessary.
|                       | The Investment Sub-Committee will meet a minimum of four times a year. The date, hour and place of routine meetings shall be fixed by the Committee, but the Chairman/woman of the Sub-Committee may call additional meetings if deemed necessary.
|                       | The Board will meet a minimum of four times a year. The date, hour and place of routine meetings shall be fixed by the Board, but the Chairman/woman may call additional meetings if deemed necessary.
| Chairman and Vice Chairman’s Term of Office | The normal term for the Pension Fund Committee and Board’s Chairman/woman and Vice Chairman/woman shall be one year subject to earlier removal by vote of the Pension Fund committee or Board respectively.
| Voting Rights         | All Committee Members, Investment Sub-Committee Members and Board Members shall have the right to vote in their respective meetings. |
| Quorum | 5 (1/3 plus 1) Committee Members shall form a quorum for meetings of the Committee.  
4 (1/3 plus 1) Investment Sub-Committee Members shall form a quorum for meetings of the Investment Sub-Committee.  
2 (1/3) Board Members shall form a quorum for meetings of the Board (shall include one each from the employer and member sides).  
No business requiring a decision shall be transacted at any meeting of the Committee or Investment Sub-Committee or Board unless the meeting is quorate.  If it arises during the course of a meeting that a quorum is no longer present, the Chairman/woman shall either suspend business until a quorum is re-established or declare the meeting at an end and arrange for the completion of the agenda at the next meeting or at a special meeting. |
| Training Requirement | Members may not take part in meetings of the Pension Fund Committee, Investment Sub-Committee or Board unless they have complied with any training requirements set out by the Chairman/woman of the Pension Fund Board or for Board members as set out in the Public Services Pensions Act. |
Annex 2

Cambridgeshire Health and Wellbeing Board (Standing Orders)

1. **Co-optees**

The Chairman/woman or the Board will be entitled to appoint, in consultation with the Board via e-mail, up to 3 people at any one time as non-voting co-opted members of the Board. The Board shall determine whether the co-options shall be for a specified period, for specific meetings or for specific items.

Co-options may only be made if the person co-opted has particular knowledge or elected expertise in the functions for which the Board is responsible, or knowledge/responsibility for a geographic or academic agenda issue.

2. **Notice of Meetings**

Meetings of the Board will be convened by the County Council, who will also arrange the clerking and recording of meetings (a member of the County Council’s Democratic Services Team will act as Clerk).

3. **Chairmanship**

The appointment of the Chairman/woman will be determined by full Council at the annual general meeting, or at any subsequent meeting should the need arise; having regard to recommendations from the political Group Leaders.

The Cambridgeshire Health and Wellbeing Board will elect annually a Vice-Chairman/woman who will be drawn from the Clinical Commissioning Group representatives on the Board.

If the Chairman/woman and Vice-Chairman/woman are absent from a meeting, the Board members present will chose a person to preside for the meeting.

4. **Quorum**

The quorum for all meetings of the Board will be eight members.

5. **Appointment of Substitute Members**

Nominating groups may appoint a substitute member for each position. These members will receive electronic versions of agendas and minutes for all meetings. Notification of a named substitute member must be made in writing or by email to the Clerk. Substitute members may attend meetings after notifying the Clerk of the intended substitution before the start of the meeting either verbally or in writing. Substitute members will have full voting rights when taking the place of the ordinary member for whom they are designated substitute.
6. **Decision Making**

   It is expected that decisions will be reached by consensus, however, if a vote is required it will be determined by a simple majority of those members present and voting. If there are equal numbers of votes for and against, the Chairman/woman will have a second or casting vote. There will be no restriction on how the Chairman/woman chooses to exercise a casting vote.

7. **Meeting Frequency**

   The Board will meet at least four times a year.

   In addition, extraordinary meetings may be called from time to time as and when appropriate. A Board meeting may be called by the Chairman/woman, by any three members of the Board or by the Director of Public Health if he/she considers it necessary or appropriate.

8. **Supply of information**

   The Health and Wellbeing Board may, for the purpose of enabling or assisting it to perform its functions, request any of the following persons to supply it with such information as may be specified in the request—

   (a) the local authority that established the Health and Wellbeing Board;
   (b) any person who is represented on the Health and Wellbeing Board by virtue of section 194(2)(e) to (g) or (8) of the Health and Social Care Act 2012 (“the 2012 Act”);
   (c) any person who is a member of a Health and Wellbeing Board by virtue of section 194(2)(g) or (8) but is not acting as a representative.

   A person who is requested to supply information under (a), (b) and (c) must comply with the request. Information supplied to a Health and Wellbeing Board under this section may be used by the Board only for the purpose of enabling or assisting it to perform its functions.

9. **Status of Reports**

   Meetings of the Board shall be open to the press and public and the agenda, reports and minutes will be available for inspection at Cambridgeshire County Council’s offices and on the County Council’s website at least five working days in advance of each meeting. [This excludes items of business containing confidential information or information that is exempt from publication in accordance with Part 5A and Schedule 12A to the Local Government Act 1972 as amended.] Other participating organisations may make links from their website to the Board’s papers on Cambridgeshire County Council’s website.
10. **Press Strategy**

An electronic link to agendas for all meetings will be sent to the local media. Cambridgeshire County Council will be responsible for issuing press releases on behalf of the Board and dealing with any press enquiries. Press releases issued on behalf of the Board will be agreed with the Chairman/woman or Vice-Chairman/woman and circulated to all Board members.

11. **Members’ Conduct**

Part 5 - Codes and Protocols of the County Council’s Constitution applies to all elected and ‘co-opted’ members of the Board

http://www.cambridgeshire.gov.uk/info/20050/council_structure/288/councils_constitution

12. **Amendment of the Terms of Reference**

The Board may recommend variations to its Terms of Reference by a simple majority vote by the members provided that prior notice of the nature of the proposed variation is made and included on the agenda for the meeting.

13. **Governance and Accountability**

The Board will be accountable for its actions to its individual member organisations.

There will be sovereignty around decision making processes. Representatives will be accountable through their own organisations for the decisions they take. It is expected that Members of the Board will have delegated authority from their organisations to take decisions within the terms of reference.

Decisions within the terms of reference will be taken at meetings and will not normally be subject to ratification or a formal decision process by partner organisations. However, where decisions are not within the delegated authority of the Board members, these will be subject to ratification by constituent bodies.

It is expected that decisions will be reached by consensus.
THE PROCEDURE FOR TAKING URGENT DECISIONS

1. The Council’s Constitution sets out who in the Council has authority to make decisions and the procedures for making those decisions.

2. Sometimes events will occur which require decisions to be taken urgently.

3. The County Council needs to be able to respond quickly where failure to do so would not be in the public interest.

4. The procedure for taking urgent decisions, which includes the taking of urgent key decisions, should only be used where failure to take the decision quickly would, or would be likely to, harm the interests of the Council and the public, for example:
   - a service not being provided;
   - the Council breaking the law or financial rules;
   - the public being put at serious risk of harm;
   - the Council suffering financial loss;
   - consultation deadlines not being met;
   - In the event of a major incident.

5. The following are not suitable reasons for the use of the procedure:
   - poor planning;
   - the possibility of embarrassment being caused to an officer or Councillor;
   - the possibility of adverse publicity being caused to the Council;
   - in order to circumvent the requirements of Financial Regulations without good cause and justification.

**OPTION A – URGENT DECISIONS BY COMMITTEE**

6. Where the agenda for the relevant committee has been published, an urgent item may be added to the agenda if it meets the urgency criteria set out in paragraphs 3 and 4. The Chairman/woman of the Committee will require an explanation before authorisation is given.

7. Every effort must be made to circulate the urgent report to Councillors at least 24 hours before the meeting.

8. The urgent report will be made available for public inspection as soon as possible.
OPTION B – CALLING AN ADDITIONAL MEETING

9. The issue may be of such significance that it may be more appropriate to call an additional meeting. The procedure for calling additional meetings is set out in the Council Procedure Rules at paragraph 9 and the Committee Procedure Rules at paragraph 4.

OPTION C – DECISION BY THE CHIEF EXECUTIVE

10. The Chief Executive may take a decision which is normally reserved to committee or another officer, where he/she believes that the decision is urgent, after first:

   (a) taking into account the guidelines set out in paragraphs 3 and 4 above; and

   (b) where possible, seeking the views of the following in respect of the proposed decision:

   - the Chairman/woman of the General Purposes Committee,
   - the Chairman/woman and the Vice-Chairman/woman of the relevant committee with authority to take the decision, and
   - the leader(s) of all group(s)
   - the Monitoring Officer.

   (c) The Chief Executive will take into account any views he/she considers are relevant. The decision is the Chief Executive’s alone.

   (d) The decision together with the reasons why it is urgent must be recorded in writing. The record of urgent decisions will be held by Democratic Services and will be made available for inspection.

   (e) Following the decision, a report will be submitted to the next available relevant committee meeting explaining:

   i. the decision;
   ii. the reasons for it; and
   iii. why the decision was treated as a matter of urgency.

   (f) In the absence of the Chief Executive, his/her responsibilities under this procedure will be delegated to a Director and all references to the Chief Executive under this procedure will also apply to that person.
DECISION REVIEW PROCEDURE RULES

1. **Overview**

The Decision Review mechanism provides a way in which controversial decisions made by certain committees and officers under delegated authority, may be reviewed by the General Purposes Committee and in some cases revised by Full Council.

Due to the costs and delay caused by review, it is intended that it should only be used in exceptional circumstances as a last resort.

Where the review process is initiated the implementation of the decision subject to the review shall be suspended until the process is complete or the review withdrawn.

There are two routes for decision review the first via the General Purposes Committee and the second being direct to Full Council.

2. **Decisions which may be subject to review**

As provided in Article 6 and subject to the exceptions set out below, the Decision Review procedure shall apply to any decisions made by:

- Policy and Service Committees (Adults, Children and Young People, Economy and Environment, Health and Highways and Community Infrastructure);
- General Purposes Committee (*);
- Joint Area Committees;
- The Local Government Shared Services Joint Committee;
- Assets and Investments Committee; and
- Any Key Decisions made by officers (Note: Officers may not make Key Decisions unless specifically delegated within this Constitution).

*The General Purposes Committee may not review its own decisions and these may only be subject to review via the Full Council route.

3. **Decisions which may not be reviewed**

The following categories of decision are exempt from the decision review process:

i) A decision in respect of which no decision review request was received within the requisite timescales prescribed in these Rules and has therefore come into effect.

ii) A decision which satisfies the criteria for urgent decisions as set out in the Council’s Rules of Procedure;
iii) A decision by Full Council or subject to Full Council approval; or

iv) Decisions made by regulatory committees and/or decisions of a quasi-judicial or regulatory nature.

v) A decision which has already been subject to a decision review by the General Purposes Committee, unless it is submitted for review by the Full Council in accordance with Rule 4.2.2 below.

vi) A decision which has been rescinded by the relevant committee or decision maker prior to the determination of any request for a decision review in accordance with Rule 4.2.

vii) A decision which has been made in accordance with Rule 17 of the Committee and Sub-Committee Procedure Rules, Previous Decisions and Motions.

4. Decision Review Process

4.1 Publication of Decision Statement

Where a decision has been made by a Policy and Service Committee, a Joint Area Committee or the Local Government Shared Services Joint Committee, the decision shall be published in the form of a decision statement, within two working days of the decision being made, on the Council’s public website. The decision statement shall also be sent to members of the relevant committee, joint area committee or joint committee within the same timescale.

The decision statement will bear the date on which it is published and will specify that the decision will be effective on the expiry of 3 full working days after the publication of the decision statement and may then be implemented, unless the subject of a decision review request under this provision within that 3 full working day period. The deadline for a decision review request shall be specified in the decision statement.

4.2 Routes for Decision Review

4.2.1 Review by General Purposes Committee

Where at least 8 elected members of the Council wish to initiate a review of a decision which falls within the remit of the procedure, they may do so by submitting a written request for review to the Monitoring Officer or Chief Executive.

Such a request must be received by the Monitoring Officer or Chief Executive before the expiry of 3 full working days from the date on which the decision notice was published.
Where this criterion is met, the matter shall be referred to the General Purposes Committee for consideration as to whether the review request should be dismissed or upheld.

If the request is dismissed, those members requesting the review will be notified and unless subject of a request for a decision review in accordance with Rule 4.2.2 below, the original decision shall take effect at 9.30am on the fourth full working day from the date on which the decision notice was published.

If the review is upheld the matter shall be referred back to the relevant committee or decision-taker with a recommendation from the General Purposes Committee. The relevant committee or decision-taker shall reconsider the matter, taking into account any concerns and recommendations of the General Purposes Committee, and decide whether to amend the decision or not before reaching a final decision. Unless subject of a request for a decision review in accordance with Rule 4.2.2 below, the decision of the relevant committee or decision taker will take effect at 9.30am on the fourth full working day from the date on which the decision notice was published.

A decision may be subject of a decision review by the General Purposes Committee once only. Once the review has been considered by the General Purposes Committee, the decision may not be subject of a further decision review by that Committee. However it may, subject to compliance with 4.2.2. below, be submitted for a decision review by the Full Council.

4.2.2 **Review by Full Council**

Where at least 24 elected members of the Council wish to initiate a review by Full Council of a decision, they may do so by submitting a written request for review to the Monitoring Officer or Chief Executive.

Requests must be received by the Monitoring Officer or Chief Executive before the expiry of 3 full working days from the date on which the decision notice was published, or, where a review request has been dismissed by the General Purposes Committee, before the expiry of 3 full working days from the publication of the notice of the General Purposes Committee’s decision to reject the review request.

Full Council may either:

i) Dismiss the review request;

ii) Refer the decision back to the committee or decision taker with a recommendation, or

iii) Substitute its own decision which shall have immediate effect.
If the request is dismissed, those members requesting the review will be notified and the original decision shall take effect at 9.30am on the next working day following the day of the Council meeting which reviewed the request.

If the review is upheld under 4.2.2 (ii) above, the matter shall be referred back to the relevant committee or decision taker with a recommendation from the Council. The relevant committee or decision taker shall reconsider the matter, taking into account any concerns and recommendations of the Council and decide whether to amend the decision or not before reaching a final decision. The decision of the relevant committee or decision taker will take effect at 9.30am on the fourth full working day from the date on which the decision notice was published.

A decision may be the subject of a request for a decision review by Full Council once only. Once the review has been considered by the Council, the decision may not be subject of a further decision review.

5. **The Decision Review Procedure Timescales**

Where a valid review request is received, the Monitoring Officer shall convene a meeting of the General Purposes Committee or Full Council as appropriate, to take place within 10 working days or as soon as is practically possible thereafter.

In setting the date of the review hearing, all reasonable efforts will be made to enable attendance by Members, relevant Officers and other witnesses. Councillors who have requested the review shall have the right to address the Committee or Full Council when it deals with the issue subject to the usual limits on speeches.
1. Scheme of Financial Management

1.1 The Chief Finance Officer in consultation with the LGSS: Director of People, Transformation and Transactions shall prepare, maintain and review the Council’s Scheme of Financial Management.

1.2 The Scheme of Financial Management shall:

(a) include Financial Regulations that detail fully the responsibilities of officers in ensuring the proper administration of the Council’s financial affairs;

(b) include Contract Procedure Rules that detail fully the responsibilities of officers in ensuring that contract procedures comply with legal requirements, achieve value for money, promote public accountability and deter corruption;

(c) be consistent with the Scheme of Delegation to Officers – and the associated financial limits – set out in Part 3D of this Constitution and the Budget and Policy Framework Procedure Rules and these Financial and Contract Procedure Rules.

1.3 The Financial Regulations are shown in Annex 1; the Contract Procedure Rules are shown in Annex 2.

2. Virement

2.1 The budget framework will be expressed in four blocks of Children Family and Adults; Corporate Services and LGSS Managed Budgets; Public Health; and Economy, Transport and Environment Services.

2.2 The General Purposes Committee may authorise:

(a) unlimited budget virement within each block provided there is no change in the approved budget framework of the Council;

(b) budget virement between blocks up to a total in any one year of 1% of an individual block provided there is no change in the overall approved budget framework of the Council.

2.3 The Council must determine virement within or between blocks associated with a change in the overall approved budget framework.

2.4 Exceptions for which virement approval regulations do not need to be adhered to are:

- When the purpose for which the funding will be used has not changed
- Following a pre-approved decision incorporated into the Business Plan as the result of a decision by the appropriate committee or by Full Council.
2.5 Where the Chief Finance Officer considers that any proposed virement causes a variation to existing policy, s/he may require the Executive, Corporate or Service Director to present a report to the General Purposes Committee setting out the reasons for the virement.

2.6 An Executive, Corporate or Service Director may incur expenditure which is essential to meet any immediate needs created by a sudden emergency, subject to this action being reported immediately to the Chief Executive and the Chief Finance Officer, and to the next General Purposes Committee.

2.7 When a sudden emergency arises, Executive, Corporate or Service Directors must keep a separate record of the essential expenditure incurred in connection with the emergency until advised by the Chief Finance Officer that separate records are no longer required.

3. **Financial Control**

3.1 Subject to the above virement rules, the General Purposes Committee is accountable to the Council for ensuring there is no overspend on the four budget blocks.

3.2 The General Purposes Committee shall publish regular reports showing significant virement actioned and projected year-end spending compared to the approved budget.

3.3 Underspends and overspends on the four budget blocks shall be carried forward from one year to the next, except for the following items which will be credited/debited to balances:

   (a) interest and capital financing costs; and
   (b) highways winter maintenance; and
   (c) precepts.

Apart from the three exceptions a) to c) above, any underspend against the original cash limit for the year, as set by Council, as part of the Business Plan should be retained within a Directorate Reserve. The utilisation of this sum shall be agreed between the relevant committee on the recommendation of the relevant Executive/Corporate Director and the Chief Finance Officer by the end of July of the following financial year. Any element of the reserve not supported by an agreed programme will be transferred to the General Reserve at that point.

Any changes to this carry forward rule must be approved by the Council, except where they arise from a statutory requirement.

3.4 Where a committee wishes to take a course of action which has financial implications contrary to the advice provided by the Chief Finance Officer, the Chief Finance Officer may submit a report to this effect to the General Purposes Committee.
4. **Fees and Charges**

4.1 All scales and levels of charges shall be reviewed annually.

5. **Trading Units**

5.1 Trading Units shall be defined annually within the budget framework.

5.2 Trading Unit surpluses will be applied:

   (a) up to 50% may be retained by the Trading Unit for future investment in the business or for contingency purposes;
   (b) the balance shall be credited to the relevant budget block.

5.3 Trading Unit deficits shall be met from their own contingency funds or surplus generated in the following year. If losses cannot be so recovered the deficit shall be debited to the relevant budget block.

6. **Tendering Requirements**

6.1 These requirements cover any arrangement under which the Council pays or receives money or equivalent value except a contract
   • of employment making an individual a direct employee of the Council; or
   • to convey or acquire an interest in land (land transactions).


7. **Exemptions**

7.1 Exemptions to the Tendering Requirements in these Financial and Contract Procedure Rules and/or to the requirements of the Contract* Procedure Rules in the Scheme of Financial Management may be authorised:

   (a) by officers only in accordance with the Scheme of Delegation to Officers set out in Part 3 of this Constitution and the detailed requirements of Contract Regulations in the Scheme of Financial Management; or
   
   (b) in exceptional circumstances, by the General Purposes Committee – any such decision may be a “key decision” in accordance with Article 12 of this Constitution.
SCHEME OF FINANCIAL MANAGEMENT

FINANCIAL REGULATIONS

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FINANCIAL REGULATIONS

1.0 GENERAL CONTEXT
1.1 These Regulations are required by law and by the Council’s Constitution (Part 4.6 - Financial and Contract Procedure Rules, which is contained within Part 4 – Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council’s financial affairs.

1.2 The Chief Finance Officer is designated under the Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council’s financial affairs. He / she is also responsible under Section 114 of the Local Government Finance Act 1988 to report formally any instance of unlawful expenditure (potential or actual) to the authority’s members and external auditors.

1.3 The Regulations should be read in conjunction with the Scheme of Delegation to Officers (Part 3D, which is contained within Part 3 – Responsibility for Functions) including, in particular, the Finance limits of Delegated Powers to Executive Directors and Service Director (Customer Service and Transformation).

2.0 FINANCIAL CONTROL – GENERAL
2.1 Each Executive Director or Service Director (Customer Service and Transformation) must immediately inform the Chief Finance Officer of any matters arising, decision or course of action or proposed decision, proposed course of action or entry of an item of account relating to his / her Service/Corporate Directorate, which may give rise to a report under Section 114 of the 1988 Act (see Regulation 1.2 above).

2.2 The Statement of Financial Responsibilities (Appendix A) details the responsibilities and reporting, to conform with Sections 114 and 151, to be discharged by the following officers:

(i) Chief Executive
(ii) Chief Finance Officer
(iii) Executive Directors and Service Director (Customer Service and Transformation)
(iv) Strategic Finance Managers
(v) Service Directors
(vi) Head Of Audit and Risk Management

This appendix also includes the delegated authority to the General Purposes Committee.

2.3 Each Executive Director or Service Director (Customer Service and Transformation) shall ensure that all the documents that comprise the overall Scheme of Financial Management are observed throughout his / her Service. Where a Service wishes to operate more detailed schemes of local financial management, these must be consistent with Financial Regulations.
and be approved by the Chief Finance Officer. Any such schemes are subsidiary to the overall Scheme of Financial Management, which takes precedence. Schemes of local financial management currently approved under this section are:

- Education - Scheme of Financial Management for Schools

2.4 No Service shall:

(a) cause or allow its expenditure, whether of a revenue or capital nature, to exceed its financial allocation, including any subsequent variations made available to it;

(b) divert financial provision from one heading to another heading in the revenue estimates, or from one project to another in the capital estimates, except in accordance with the rules for virement as specified in the Finance Management Arrangements for Services (section 31.0).

2.5 Each Executive Director or Service Director (Customer Service and Transformation) is responsible for the control of workers and the security, custody and control of all other resources including plant, buildings (except where they are the responsibility of the Chief Finance Officer materials, cash and stores appertaining to his / her Service.

2.6 Financial and management responsibilities must be aligned, so that managers are responsible for the financial consequences of their decisions. A single Budget Holder must be assigned to each budget i.e. cost centre. The discharge of budget management responsibilities will be appraised through the Council’s Scheme of Performance Management.

3.0 FINANCIAL SYSTEMS / RECORDS

3.1 The Chief Finance Officer is responsible for the operation of the County Council’s accounting system, the form of accounts and the supporting financial records.

3.2 The e-Business Suite shall be the prime system upon which final assessments of financial performance shall be made, and statutory accounts, grant claims and budgets must be reported from data held on e-Business Suite. Services must seek authorisation from the Chief Finance Officer before implementing local financial systems and will use the Council’s e-Business Suite system as the overall accounting record. The sole approved exception relates to schools, who are authorised to operate local bank accounts in accordance with the Council’s Scheme of Financial Management for Schools.

3.3 Services must reconcile any local accounting records to the Council’s central financial information system throughout the course of the financial year.

3.4 All documents, invoices, etc., pertaining to transactions on central and local accounting systems must be retained in accordance with the requirements set out in Appendix B (Retention of Financial Records).
4.0 BANKING / CASH MANAGEMENT / TRUST FUNDS

4.1 The Chief Finance Officer has delegated responsibilities for the Treasury Management function (management of debt and the borrowing and investment of money) and arranging and operating the Council’s banking facilities. This means that no other officers are empowered to open any kind of bank account, to invest or borrow any money, or to enter into any credit arrangement. The exception on bank accounts is where schools are given permission to open accounts in accordance with the Council’s Scheme of Financial Management for Schools.

4.2 All of the Council’s bank accounts should be maintained in accordance with the Scheme of Operation approved by the Chief Finance Officer.

4.3 The County Council adopts the key recommendations of CIPFA’s *Treasury Management in the Public Services: Code of Practice* (the Code), as described in Section 4 of that Code.

Accordingly, the Council will create and maintain:

− a treasury management policy statement, stating the policies and objectives of its treasury management activities

− 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 Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.

The County Council delegates responsibility for the implementation and monitoring of administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation’s policy statement and TMPs, and CIPFA’s *Standard of Professional Practice on Treasury Management*.

4.4 The Chief Finance Officer has delegated responsibility for the management of Trust Funds. This covers all types of funds held on behalf of personal clients or charities, whether acting in the capacity of an appointee, a trustee, or a nominated receiver. A record of all such arrangements must be held by relevant Finance Units and all related tax affairs must be dealt with expeditiously on the client’s behalf.

5.0 APPRAISAL OF NEW SCHEMES / PROJECTS

5.1 Any new revenue or capital scheme or project costing more than £160,000 shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:-
(a) ongoing revenue impact over life of project;
(b) net present value;
(c) sensitivity to changes in key assumptions;
(d) analysis of risks and impact;
(e) statement of how project will be managed and reviewed;
(f) statement that project is affordable and finance available.

The appraisal is to be approved by the relevant Strategic Finance Manager.

5.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

Project justifications for capital schemes will be prioritised within the framework and assessment process as set out in the Council’s Capital Strategy.

6.0 FINANCIAL CONTROL – CAPITAL

6.1 The inclusion of an item in a Service Block’s approved capital programme shall confer authority on the relevant Executive Director or Service Director (Customer Service and Transformation) to incur that expenditure provided that:

(a) the scheme has been appraised in accordance with Regulation 5.
(b) where the scheme is to be financed from earmarked funds from Government, approval to capital expenditure has been obtained from the relevant Government department;
(c) the method of financing has been determined;
(d) budget provision exists to meet any revenue consequences;
(e) property transactions do not exceed the values set out in the Scheme of Delegation to Officers (Part 3D, see A5, A6 – which is contained within Part 3 – Responsibility of Functions).

6.2 Budgets that trade have no power to borrow externally to meet capital expenditure requirements. Any expenditure arising must be financed directly from revenue or from accumulated reserves.

6.3 The Chief Finance Officer has delegated power to sanction any virement between capital schemes, provided that the amount does not exceed a fixed sum (as detailed in appendix I).

6.4 Only in exceptional circumstances and where the proposals are incapable of being met within the existing provision, may supplementary capital estimates be sought from the General Purposes Committee. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Service Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer to the Council’s Strategic Management Team before
any request for a supplementary estimate is put to the General Purposes Committee.

7.0 **FINANCIAL CONTROL – REVENUE**

7.1 The inclusion of an item in a Service Block’s approved revenue estimates for the financial year shall confer authority to incur that expenditure.

7.2 No expenditure may be incurred that cannot be met from the amount provided under the relevant head of the approved estimate, or by an approved virement, without the approval of the General Purposes Committee. This regulation applies equally to any proposed reduction in income.

7.3 Supplementary estimates require the prior approval of the General Purposes Committee. These may only be requested in exceptional circumstances where the proposals are incapable of being absorbed within approved financial provision or deferred to a later year. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Service Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer to the Council’s Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee.

**Virement**

7.4 The overall rules on virement are set out in the Financial and Contract Procedures Rules (Part 4.6, which is contained within Part 4 – Rules of Procedure). The Chief Finance Officer has delegated power to sanction any virement between the main revenue budget headings in a Service Block, provided that the amount does not exceed a fixed sum, currently £160,000. Main budget headings are defined as the objective analysis of expenditure incorporated in the published Budget Report for each Service Block.

7.5 Where a virement between heads of expenditure is such as to impose a revenue burden in future financial years, the annual cost of the proposed expenditure shall be financed from within the relevant Service’s/Corporate Directorates’ base budget unless additional finance has been provided in future years.

7.6 The transfer of Directorate-based funds from reserves to revenue must be approved in accordance with the rules for virement as specified in the Finance Management Arrangements for Services (section 31.0).

8.0 **TRADING ACTIVITY**

8.1 Services that trade both internally and externally are treated like any other revenue budget, whereby any expenditure incurred must not exceed the funding available i.e. their income. Any overspend at year-end must be absorbed within the relevant Service’s budget block. Any underspend at year-end can be used to offset pressures elsewhere within the relevant Service’s budget block.
8.2 The only distinction with ‘trading units’ is in terms of annual returns and planning purposes where the Service Reporting Code of Practice (SERCOP) guidance is to be followed. A section is defined as a Trading Unit for this purpose where it meets one of the 5 criteria set out in Appendix C.

8.3 At year-end the reporting requirement for Statement of Accounts (SoA) states that any external trading must be reported separately within the Income & Expenditure Account with an appropriate disclosure note. Therefore where a budget trades both internally and externally, the external element needs to be separately identifiable.

8.4 Further guidance for managers whose budget has a significant reliance on external income can be found in Appendix D.

8.5 Budgets that trade and rely solely on their income generation to fund their expenditure are charged a corporate overhead charge based on the marginal cost of their activity. Appendix E shows a summary of the corporate services for which these budgets are charged for in this way.

8.6 Budgets that trade must not compete for work with other internal providers; they are, however, allowed to compete for external work, subject to the prior approval of the Chief Finance Officer and the LGSS Director of Law, Property and Governance (considerations to be considered before taking on external contracts are detailed in Appendix D). In addition, services that undertake work outside the normal responsibilities of the Council, i.e. for external customers, must inform the Council’s Chief Finance Officer in advance of submitting an offer to carry out such work and must obtain such insurance cover as the Head of Audit and Risk Management prescribes.

8.7 Each budget holder who is responsible for a budget that trades should continually monitor the trading performance of his / her unit and immediately alert the relevant Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer should doubts about the financial performance of the unit emerge. The budget’s financial results, outturn projections, and explanations of significant variances from the original plan are to be reported by Finance to SMT monthly and the General Purposes Committee bi-monthly (or monthly if deemed necessary).

9.0 FEES AND CHARGES

9.1 Financial and Contract Procedure Rules require that all scales and levels of charges must be reviewed annually. All Executive Directors and Service Director (Customer Service and Transformation) shall present a report to their respective service committees on the proposed fees and charges for the next financial year as part of the Business Planning process.

9.2 The Business Planning process will assume that all fees and charges are increased in line with the latest inflation indices, therefore any charges not increased in line with inflation will create a revenue pressure that will need to be absorbed within the cash limit for that service block.
10.0 TRANSFORMATION BIDS

10.1 Transformation bids should be submitted as part of the Business Planning (BP) process, by completing the Investment Proposal Template.

10.2 Additional one-off budget will be made available via the BP process to support innovative projects that underpin service improvements and deliver future efficiencies. The additional budget will be repaid via budget savings to be achieved in subsequent years.

10.3 The objective of transformational bids is to encourage projects across Cambridgeshire County Council that will:

- Improve the cost effectiveness of services
- Provide value for money
- Achieve long-term savings and efficiencies

10.4 Guidance on transformational bids can be found here.

11.0 PARTNERSHIPS

11.1 Before entering into a Partnership the respective manager should consult the Partnership Toolkit. This toolkit aims to improve the governance of any partnership you get involved in.

12.0 DEBT POLICY

Introduction

12.1 The Debt Policy is issued by the Section 151 Officer for Cambridgeshire County Council in accordance with the Council’s Constitution. They are corporate procedures and will be followed by all parties involved in the recovery of monies owed to the County Council.

12.2 Variations and exceptions to this policy can only be approved by the Section 151 Officer. Where leasehold or tenancy agreements prescribe, alternative debt recovery arrangements are in place and are managed by the Property Service Area.

12.3 Departments must use upfront payments in all appropriate circumstances for all services provided before issuing invoices to minimise the potential for debts to occur.

12.4 All invoices issued by departments must be raised in the Oracle Financials System (Oracle ERP) either directly or via an interface feed from a line of business system within a maximum period of 14 days from the date the service commenced / was delivered. Invoice raising should be in accordance with the prescribed procedure ensuring that where appropriate customer purchase order numbers are shown. Once the invoice is recorded in Oracle the credit will be posted to General Ledger (GL). The management information produced from GL will, therefore, reflect the Council’s accounting policy.

12.5 The Section 151 Officer will arrange for the debt to be collected through the LGSS Transactions Collections Team (hereafter referred to as ‘the
collections team’). Raising an invoice should lead to payment being received, however the relevant collections team will chase all unpaid invoices in line with the approved Debt Policy and Collections Process.

**Payment and Credit Terms**

12.6 Payment terms for accounts raised are either immediate or 28 days. If any other payment terms are required these must be presented to the Section 151 Officer, with a business case, to seek agreement prior to the issuance of an invoice.

12.7 If Cambridgeshire County Council have had no dealings with a customer before or if the customer has a record of poor payment then consideration should be given to requesting payment before the goods or service are supplied. A paid invoice can be supplied after the event, if required. This section will not apply to debts accrued as a result of community care services provided as a result of an Adult Social Care Community Care assessment.

**Invoicing**

12.8 The Oracle Financials Accounts Receivable system contains customer name and address information for raising invoices, however, it is the responsibility of departments to ensure that the information is correct and up to date before raising an invoice.

12.9 If an original invoice over £100 is returned due to an incorrect address the Data Management Team will instigate a customer trace with any costs incurred charged to the originating department.

12.10 If the invoice is under £100 it will be cancelled and the department informed. When a new address is known and confirmed with the Data Management Team a new invoice will need to be raised by the department. Details on Customer set up and maintenance and how to raise an invoice can be found on the LGSS Intranet site.

12.11 Invoices produced by LGSS will not be returned to departments upon printing, nor will attachments be sent out with invoices. The most practical approach is to send correspondence or attachments under separate cover and say that an invoice will follow.

12.12 Departments are advised not to raise official invoices for amounts below £50 as the cost of collection will outweigh the income being collected. In these circumstances departments should collect payment before goods/services are delivered.

12.13 If a debt has arisen as the result of an overpayment to a creditor, the first consideration should be given to deducting monies from further payments due, however if this is not possible then an invoice should be raised without delay.

12.14 Where departments are asked for assistance in identifying unidentified cash they should respond within 10 working days.

12.15 Any unidentified cash, unapplied after six months, will be transferred into central funds. If this is subsequently identified prior to year-end closure, then a transfer to the departmental budget may be effected.
Debt Collection Timetable

12.16 The collection process will commence on or around 14 days after the date upon which an invoice was issued, although telephone calls will be made, subject to available resources, where significant debts are raised. The timetable below may alter depending on the individual circumstances of specific cases and if the customer makes / is in contact with the relevant collections team (or department):

Day 14 – if no payment or contact received the customer is issued with the first letter requesting payment within 7 days.

Day 28 – if no response or payment has been received the customer is issued with the second and final letter requesting payment known as the ‘pre action letter of claim’ stating we will look to commence legal proceedings if payment is not forthcoming within a final period of 10 days.

During the above stages, efforts will be made to contact customers by telephone if the raising department has provided these to the relevant collections team. At all times, the collections team will adopt a fair and reasonable approach towards the customer taking account of their circumstances and ability to pay. Any disputes with customers and / or departments that cannot be resolved by the collections team will be escalated initially to the LGSS Revenues and Assessment Manager for a decision. If agreement cannot be reached then a referral to the LGSS Head of Transactions and Head of Finance Professional will be made whose decisions will be final.

Often the threat of action plus the formal nature of the request is sufficient to at least prompt a response from the customer.

Day 38 - The debt will be assessed using the ‘Y’ strategy (contained within the Collections Process – see 12.30) to determine what options will be taken including if external collection or legal action is viable or whether write off appears to be the only remaining option.

Securing Debt Arrangements

12.17 Any request to pay by instalments must be referred to the collections team who will contact the debtor to obtain details of their income/expenses and offer. The collections team alone will have the delegated powers to accept or reject any offer made. If the offer is not considered reasonable then they will inform the debtor and try to negotiate a better offer, however they may refer the debt for legal action if no better offer is forthcoming.

Debts Referred to External Collection Agents and Legal

12.18 Only debts that have been identified via the ‘Y’ strategy (contained within the Collections Process – see 12.30) as viable will be referred to External
Collection Agents or Legal Services to commence action. The collections team will contact the issuing department, if required, for any documentation necessary to complete the submission pack to these Agents and Legal Services.

12.19 Legal proceedings result in the Council incurring additional costs. The Council’s policy is that the legal costs should be included in the claim against the customer. Any legal costs that are not recovered from the customer will be charged back to the department who originated the invoice.

12.20 Any commission costs accrued for recovering debt through the External Collection Agent will be charged back to the department who originated the invoice on a monthly basis.

**Disputes – Invoices Placed ‘On Hold’**

12.21 Where an invoice has been queried and placed on hold the originating department must keep the collections team informed of progress. If the query cannot be answered within the 5 day limit then the originating department must give the relevant collections team an indication of when the query will be settled. The originating department has a maximum of 15 working days from the date of query to resolve the matter.

12.22 The LGSS Collections Manager can decide to cancel any invoice that is on hold where queries are not being progressed as follows:-

(a) Debts below £1,000 will be cancelled back to the originating department.

(b) Debts above £1,000 or over will be reported monthly to the LGSS Head of Transactions and Head of Professional Finance for advice / action.

**Cancelling an Invoice**

12.23 Once an invoice has been printed it must not be changed or cancelled. If it is subsequently found to be incorrect a credit note must be raised in Oracle to either cancel the complete invoice or part thereof. These should be generated by the invoice originating department via a request to the LGSS Data Management Team.

12.24 It should be noted that this relates only to those circumstances where the debt, as raised, is incorrect. If cancellation is required in other circumstances the invoice must be written off (see the Write Off section below for further details). Care should be taken in raising invoices to ensure that the need for cancellations is kept to a minimum.

**Write Off**

12.25 An invoice that remains outstanding after Collection Action will be subject to a write off process. Authority to write off the debt rests with the collections team subject to the delegated limits details below.

12.26 Delegation for Write Off:

**Debts over £25,000**

Debts over £25,000 will be reported to the General Purposes Committee. The LGSS Head of Transactions will prepare details of any such debts for
the Section 151 Officer to seek authority of the General Purposes Committee to Write Off.

**Debts £5,000 to £25,000**

Each month the LGSS Collections Manager will prepare schedules by department of debt recommended for write off for authorisation by the Section 151 Officer. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

**Debts £2,000 to £5,000**

Each month the LGSS Collections Manager will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Head of Transactions. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

**Debts £500 to £2,000**

Each month the LGSS Collections Team will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Revenues and Assessment Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

**Debts below £500**

Each month the LGSS Collections Team will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Collections Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

12.27 The Finance Business Partners in each department will be provided a copy of the appropriate schedules for information, of those debts to be written off.

12.28 Write Offs will be charged in accordance with the Write Off Accounting Policy as determined by the Section 151 Officer. The current policy will be to write off back to the original invoice or equivalent codes irrespective of the financial year the invoice was raised in.

12.29 The LGSS Collections Strategy (Process Flow) can be found in appendix F.

12.30 The full Debt Policy, including the Collections Process, can be found in the LGSS Collections Policy.
13.0 AUDIT

13.1 Under the Scheme of Delegation, the Head of Audit and Risk Management shall:

(a) maintain an adequate and effective internal audit of all the activities of the Council.

(b) have authority to visit all Services/Corporate Directorates, establishments and Trading Units of the Council and have a right of access, at all times, to such documents, other records, computer systems, and Council property as appear to him / her necessary for the purpose of the audit.

(c) be entitled to require from any officer such information and explanation as he / she thinks necessary to satisfy himself / herself on any matter.

13.2 Each Executive Director or Service Director (Customer Service and Transformation) shall bring immediately to the notice of the Head of Audit and Risk Management and/or Chief Finance Officer any suspected or apparent financial irregularity affecting the Council. If the irregularity is confirmed, the Chief Executive shall be advised.

13.3 Internal Audit shall examine arrangements to ensure standards of internal control are adequate.

13.4 Attention is drawn to the statutory role of the Council’s external auditors, which involves the same rights of access and entitlement as those set out for Internal Audit in Regulation 13.1.

14.0 RISK MANAGEMENT AND INSURANCE

Strategy

14.1 The Head of Audit and Risk Management has delegated powers to establish and maintain a systematic strategy, framework and processes for managing risk. Part of the strategy is to identify the risks facing the organisation and analyse what types of protection are required to manage adverse risks.

14.2 Effecting insurance is one element of that strategy for the limited range of risks, including damage to assets and potential civil liability, which can be underwritten by insurance policies and give a measure of financial protection.

14.3 This strategy does not obviate the need for each Executive Director or Service Director (Customer Service and Transformation) to manage all forms of business and operational risk in connection with the running of their services and activities.

Insurance Programme

14.4 The Head of Audit and Risk Management, in consultation with the Chief Finance Officer, has delegated powers on behalf of all services to effect and manage insurance cover for specific risks and to decide what is the most appropriate package of internal (self-funded) and external insurance. This statement must be qualified by noting that School Governing Bodies are able
to exercise choice over how they purchase insurance (subject to meeting minimum standards and limits of indemnity laid down by the Council) and are not bound to remain within the centrally arranged insurance policies or self-funded provisions if they wish to effect separate arrangements. The County Council’s rights and interests must be named on all insurance policies held, irrespective of who has made the original arrangements.

14.5 For centrally arranged policies, the Head of Audit and Risk Management is responsible for preparing specifications, obtaining quotations, procuring cover, negotiating claims and maintaining the necessary records in line with the insurance strategy and for ensuring that the contracting process is conducted in accordance with the prescribed requirements.

14.6 The Head of Audit and Risk Management or his / her nominee shall make contractual arrangements with specialist advisers, including insurance brokers, financial actuaries, loss adjusters, solicitors and insurance companies as necessary in respect of all insurance matters involving the centrally arranged policies and self-funded arrangements.

14.7 The Head of Audit and Risk Management shall keep a register of all insurance policies held and a full record of what property and risks are covered thereby.

14.8 A brief statement of the main policies taken out by the Council is given below. A Budget Holder must contact LGSS Insurance if he / she thinks additional cover may be required. This will help protect the council from the risk of buying insurances that are unnecessary, too costly, not with the insurers who are appropriate, and avoid duplication of existing insurance arrangements.

Centrally arranged policies are:

(a) Fire and associated risks for all buildings which the Council owns, or for which it has accepted legal responsibility by way of a lease or licence.

(b) All public and employers' liabilities, including libel and slander, professional indemnity, officials' indemnity and land charges.

(c) Personal accident cover for risk of assault on employees of the County Council and for injury to Council Members and authorised volunteers.

(d) Motor vehicles – comprehensive cover on all County Council vehicles, together with contingent liability cover for use of privately owned vehicles used on official business.

(e) Pecuniary loss (money, fidelity guarantee and cheques indemnity).

(f) Costs of reinstatement and recovery of ICT infrastructure and systems.

The Insurance and Risk Manager should be contacted at insurance@cambridgeshire.gov.uk if further details are required such as the actual policy number, name of the current underwriters or any other information on the scope of cover or policy terms and conditions.
14.9 Enquiries about insurance matters must be channelled through the Insurance and Risk Management Section which can provide all necessary advice.

**Record of equipment subject to inspection**

14.10 Each Executive Director and Service Director (Customer Service and Transformation) shall maintain suitable systems to record engineering plant and lifting equipment, which is subject to statutory inspection by an insurance company or other approved contractor, and for monitoring that inspection is carried out in the periods prescribed.

**Notification of Changes of Risk**

14.11 Each Budget Holder shall give prompt notification to the Head of Audit and Risk Management of all new risks, property, vehicles and other assets or contractual obligations which require to be insured and alterations that may affect existing insured risks (including closure of buildings, sale of vehicles or disposals of other insured assets).

14.12 Where any contracts or partnership agreements are under negotiation with external bodies for services to be provided, Budget Holders must ensure that the potential risk exposure is analysed and suitable clauses included to apportion risk appropriately between the contracting parties involved. Advice must be sought on the appropriate levels of indemnity and type of risks to be insured. Some information is provided in The Purchasing Guide. The advice of the LGSS Director of Law, Property and Governance should be sought to ensure that these issues have been addressed correctly before any contract is signed.

14.13 Provision of indemnities which may assume legal liability for the actions of another party must not be accepted without full consultation with the Council’s legal advisers and if accepted must also be notified to the Insurance and Risk Management Section.

**Reporting of incidents, losses and potential claims**

14.14 Budget Holders must make a written report of any event, loss, liability or damage that may result in an insurance claim and give full and timely assistance with the conduct of any investigation that may follow. Advice must be sought immediately from the Insurance Section if there is a suspicion that a civil legal action is in prospect.

14.15 Civil procedure rules and protocols must be strictly adhered to in order to avoid cost penalties or unnecessary litigation expenses. Employees and other persons must not attempt to negotiate a settlement, give interviews, make statements or offer to pay compensation in any way that may prejudice any civil legal action that may be brought against the Council subsequently.

14.16 The same incident may lead to an investigation for an alleged breach of or failure to comply with some part of the Health and Safety at Work Act and the regulations made hereunder.

**Use of motor vehicles**

14.17 All workers using their own private vehicles on behalf of the Council shall maintain appropriate insurance cover for business use.
14.18 The Council has a contract with Enterprise for them to provide their WeCar resource option as our pool cars.

15.0 INTERNAL CONTROLS / ASSURANCE AND POWERS

15.1 Under Article 11 of the Constitution (contained within Part 2 – Articles of the Constitution) the LGSS Director of Law, Property and Governance is designated as the ‘Monitoring Officer’ whose functions include:

(a) Ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.

(b) Advising whether decisions are within budget and policy framework.

(c) Provide advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

16.0 PURCHASING OF GOODS / WORKS / SERVICES IN E-BUSINESS SUITE

Introduction

16.1 The County Council is a major purchaser of goods, works and services. It is at the point of ordering that the County Council is committing expenditure. Therefore the relevant Budget Holder must ensure that:

(a) all orders are completed properly and appropriately authorised

(b) the extent of the commitment is known

(c) budgets are not exceeded without appropriate authority

(d) only goods / works / services as ordered and received are receipted on the e-Business Suite System

(e) purchases are lawful (i.e. within the powers of the County Council)

(f) purchases are only made for County Council purposes - workers are not permitted to use County Council orders for private purchases.

(g) value for money is obtained, with Contract Procedure Rules being strictly adhered to.

Note that the financial regulations 16.2 to 16.22 set out below apply to all employees of the County Council.

Where an agency / partnership arrangement exists such that there is an approved business case to allow a third party to exercise financial control on behalf of the County Council, the same principles detailed here apply, however a series of limitations as to their permitted responsibilities must be applied, and can be found here.

All proposals for such arrangements must be agreed by the Chief Finance Officer, and advice sought from Internal Audit and the Legal Section, as appropriate.

Overview of the Business Rules Underlying the Use of e-Business Suite

16.2 The e-Business Suite allows for the electronic processing and authorisation of transactions relating to the purchase of goods / works / services.
16.3 The e-Business Suite also enables a set of control rules to enforce separation of duties in the purchasing of goods/services.

16.4 For purchasing goods, work, or services in e-Business Suite, three roles are required:
(a) Requisitioner
(b) Approver
(c) Goods Receiver

16.5 The above roles are set in e-Business Suite through the configuration of user profiles and responsibilities, linked to each user’s personal identification (ID). To provide separation of duties within the e-Business Suite system, the profiles and responsibilities are set such that the Requisitioner cannot also be the Approver.

16.6 To ensure the appropriate authorisation of goods, work, or services and that an adequate separation of duties is maintained, workers must not in any circumstances share their e-Business Suite password, nor give other users the opportunity to log on under their ID.

16.7 The e-Business Suite operates such that if the goods, work, or services recorded as received agree to those ordered per e-Business Suite, and the invoice subsequently matches the details already recorded on e-Business Suite, the invoice will be processed for payment, without further pre-payment check and authorisation by the Budget Holder.

16.8 Therefore, the Budget Holder must ensure that an e-Business Suite purchase requisition is completed and authorised for all purchases made (except where a Government Procurement Card is being used and in specific areas approved by the Chief Finance Officer), and the receipt of those goods, work, or services must be recorded on e-Business Suite.

16.9 Once a purchase requisition has been approved, the transaction is processed as an e-Business Suite order, and the order issued to the supplier. The Budget Holder is not required to print the order and add a manual signature.

Approval Limits

16.10 Maximum authorisation limits for employees are linked to the individual’s job role, rather than the individual. This ensures that users do not carry access to new jobs.

16.11 The maximum authorisation limits are set across the following five bands:
- Band 1 (unlimited) – Chief Executive, Executive Directors, Service Director (Customer Service and Transformation) and Chief Finance Officer.
- Band 2 (up to £500k) – HS3 to Director C
- Band 3 (up to £150k) – MB4 to HS2
- Band 4 (up to £50k) – MB1 to MB3
- Band 5 (up to £5k) – from Scale 5 to SO2
Raising Orders For Goods / Work / Services

16.12 Approved County Council suppliers must be used for all purchases made. Where no approved supplier can provide the goods / works / services, the Budget Holder must submit a formal application to the Procure to Pay for approval, before the goods / works / services are ordered.

16.13 The County Council’s Contract Procedure Rules must be followed in respect of all purchases. The Council has decided that all contracts must be in writing or placed using e-Business Suite or a Government Procurement Card.

16.14 Oral (telephone) orders and orders made over the internet must be made only with the prior knowledge and approval of the Budget Holder. The order must be confirmed immediately afterwards by raising an official e-Business Suite order clearly annotated “Confirmatory Order” in the product description box. (Note that the latter is only possible for non-catalogue orders, i.e. it is not possible for orders from an e-Business Suite catalogue such as ESPO). Confirmation orders are not necessary if a Government Procurement Card has been used.

16.15 The Budget Holder must authorise all orders raised, unless he / she has reassigned authority on e-Business Suite under delegated authority.

Receipting of Goods / Work / Services

16.16 Goods / works / services when received must be certified as such on e-Business Suite.

16.17 Wherever possible, the officer recorded in the system as certifying the receipt of the services should be the person who actually verified them.

16.18 However, in all cases the officer recorded in the system as having receipted the goods / works / services is responsible for ensuring that they are receipted on e-Business Suite only where they have been physically received or carried out and examined as to quantity and quality, as ordered. Whenever practical the receiver should not rely on verbal assurances from another officer.

Variations between Orders and Goods / Works / Services Received

16.19 Where the goods / works / services received vary to that originally ordered, and this exceeds the agreed tolerance threshold, the Budget Holder must authorise the additional amount before the invoice can be paid. The Budget Holder must report any difference to Procure to Pay, so that the order can be varied and approval to the variation can be sought from the Budget Holder.

Payment of Accounts

16.20 The County Council is liable for payment of interest where invoices are not paid within 30 days of receipt or per the supplier’s payment terms.

16.21 To reduce the delays in the processing and payment of invoices, all invoices received in respect of orders raised in e-Business Suite will be date-stamped and registered by Procure to Pay.
16.22 Where the invoiced amount does not match the order / goods receipted, allowing for agreed tolerances, the Requisitioner will be notified, and the Budget Holder must approve the variation.

16.23 Where an invoice relating to an e-Business Suite order is received by a department in error, the invoice must be date stamped before being forwarded promptly to Procure to Pay for processing.

16.24 The requirements of the Sub Contractors – Construction Industry Tax Scheme must be complied with.

17.0 **PERSONAL EMPLOYEE EXPENSES**

17.1 The County Council has a responsibility to provide HMRC with details of all benefits in kind provided or expenses reimbursed to its employees, and must ensure that National Insurance contributions are collected on all qualifying expenditure.

17.2 The Council uses a Mileage and Expenses E-Form, which allows employees to submit their expense claims electronically for their line manager’s approval.

17.3 Employees need to submit their mileage and expenses e-form claims on a monthly basis. Employees must submit their expenses claim within a 2 month timeframe from the claim date. An employee must allow enough time for his/her manager to approve the e-form before the submission deadline.

17.4 The Budget Holder is responsible for:

   (a) Ensuring that payments are only made to bona fide employees who are eligible to receive payments at that time according to current rules laid down by the County Council.

   (b) Ensuring that payments are in accordance with current rates.

   (c) Making prompt, complete and accurate returns (P11D) to Employee Benefits in LGSS, of information needed for returns to HMRC such as cars provided to employees outside the normal lease car scheme, telephones, living accommodation etc., and any other possible taxable benefits.

17.5 All claims for reimbursement of expenditure by individuals must be processed via the e-form system and not via imprest, petty cash or bank accounts.

17.6 The approving manager needs to see the receipts before approving any e-form claim. All receipts need to be stored locally, by month (these will be required in the event of an HMRC Inspection). All receipts need to be stored for 6 years. If a manager leaves they must ensure that stored receipts are handed over to the new manager.

17.7 Further guidance can be found here.
18.0 PAYROLL

18.1 It is the legal duty of the LGSS Director of People, Transformation and Transactions to make proper arrangements for the operation of PAYE and National Insurance procedures for all employees, including relief, fixed term and part time employees.

18.2 The Council’s payroll service is responsible for processing temporary data, administration and validation of the payroll run, production of payslips, P60’s, cheques, BACS and production of a costing file for interface to the general ledger. Payroll also supply information to various statutory bodies including HMRC and act as the first point of contact in dealing with payroll queries.

18.3 The County Council has a Payroll Services Manager to monitor payroll and work with the HR, Pensions and Finance Units to ensure high quality service delivery.

18.4 The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget Holders should refer to the detailed guidance available in the HR Web Pages on the Intranet (Contracts of Employment – Checklist Worker’s Legal Status). The Payroll Services Manager can advise in cases of doubt.

18.5 It is the Budget Holder’s responsibility to ensure that:

(a) Payments are correct, authorised and accounted for properly.

(b) Payments are made only to bona-fide employees of the Authority and to valid beneficiaries of the Pension and Compensation Schemes.

(c) Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them.

(d) Payments are lawful (i.e. within the powers of the County Council).

(e) Payments are within budget.

(f) Changes in terms of employment and requests for payment are notified to HR or Payroll (as applicable) at the due time in accordance with the payrun schedule.

18.6 The Budget Holder must ensure that the appointment of all employees is in accordance with the policies of the Council, at the approved grades and rates of pay (see Recruitment).

18.7 No officer may authorise any notification to HR or Payroll concerning amendments to his / her own pay.

18.8 The Council’s HR service must be notified as soon as possible, using either the Employee Change, Employee Leaver or Establishment form, of all matters affecting payroll payments, such as appointments, dismissals, resignations and retirements, or any other change of circumstances affecting remuneration.

18.9 The Budget Holder must ensure that Payroll is forwarded correctly completed timesheets / claims for payment of at the due time. Particular
attention should be paid to entering the correct employee assignment number to ensure not only that the correct record is paid (and costed accurately) but that payment is statutory compliant in respect of Income Tax and National Insurance deductions.

18.10 All documents sent to Payroll should identify clearly to whom they relate, i.e. by showing the name, payroll reference number and/or job title and place of work.

18.11 The Council will seek to avoid under/over payment of salary. However, where this may occur please refer to the Payroll Corrections Policy.

19.0 GRANTS

19.1 Grant claim forms should be completed in accordance with claim instructions.

19.2 Claims should be signed in accordance with claim instructions. However, the authority of the Chief Finance Officer to sign grant claims is delegated to the Strategic Finance Managers.

19.3 The Head of Audit and Risk Management should be notified in advance of any grant claim being submitted where there is a requirement for an audit of the expenditure.

19.4 Budget Holders should advise their relevant Finance Team of any competitive grant applications submitted.

19.5 On receiving notification from the funding provider that an application has been successful, the Budget Holder must notify their Finance Team of the forthcoming income.

19.6 It is the Budget Holder’s responsibility to ensure that a specific budget code is assigned to the income.

19.7 The Budget Holder must also check that the amount awarded matches the amount that was applied for by referring to the copy of the application that has been retained on file by the budget holder.

20.0 INCOME

20.1 It is the Budget Holder’s responsibility to ensure that procedures for the collection or invoicing of income due are operating such that:

- (a) All income due is identified and accounted for properly.
- (b) Invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided. Invoices should be raised using e-Business Suite, or where e-Business Suite is not available, the Revenues and Benefit team must be notified.
- (c) All monies received are brought into account promptly, correctly, accurately and completely.
- (d) All income collected is held securely, banked promptly and intact.
(e) VAT is accounted for correctly. (For further information, see VAT for Budget Holders.

(f) Instruction to cancel an invoice must be approved by the budget holder and notified to the Revenues Team.

(g) Invoice write-offs must follow the procedures in 12.25 - 12.28 of the Scheme of Financial Management.

20.2 Employees should be aware of the Council’s Anti-Money Laundering Policy. This applies particularly to employees regularly handling cash. The Money Laundering Reporting Officer should be contacted in accordance with this Policy if a money-laundering activity is known or suspected. The County Council will not accept settlement in cash of any transaction above the value of €15,000 equivalent (approximately £10,000).

20.3 Official County Council documentation for receipting and raising invoices must be used. Corporate Directorates is responsible for the ordering, issue and control of all receipt and invoice forms, unless alternative arrangements have been agreed with the Chief Finance Officer.

20.4 All monies received must be receipted on an official County Council receipt book or otherwise adequately recorded at the time of receipt.

20.5 For remittances where receipts are not always issued (e.g. settlement of debtors invoices) an accounting record (such as a remittance list) must be made immediately on receipt.

20.6 Where the Unit has access to the e-Business Suite, all income received must be recorded on the e-Business Suite using the lodgement facility. Where the e-Business Suite is not available, the Revenues and Collections team must be notified.

20.7 Each Officer responsible for paying money into a bank account must enter onto the copy paying-in slip sufficient information to identify each transaction including the amount of the cheque and a reference (such as receipt number or debtor name) to connect the cheque with the service provided. On the back of each cheque the Officer should enter sufficient detail to identify the Department or establishment.

20.8 On handing cash over to another person, all employees should ensure that they receive a suitable formal acknowledgement such as a receipt.

20.9 To ensure adequate separation of duties within the cash collection and banking process, different people should undertake the following activities:

(a) collecting or receiving money;

(b) recording and banking receipts;

(c) reviewing and reconciling receipts to cash banked; this must be a different person from the persons carrying out (a) and (b);

(d) authorisation of debt write offs; this must be a different person from the persons carrying out (a) and (b);

(e) custody of saleable stock and materials.
21.0 CASH SECURITY

21.1 All Officers involved in cash handling have a duty to ensure that practice and procedures properly safeguard cash holdings in their possession, but not at any risk to their own person.

21.2 Budget Holders must ensure that written procedures exist covering the aspects of cash security covered below, and what action workers are to take in emergencies, e.g. attempted theft; fire alarms etc.

21.3 Budget Holders must ensure that adequate arrangements are made to safeguard monies pending banking. Such arrangements include:
   (a) Use of locked cashboxes held in a safe or locked drawer or cabinet.
   (b) Restricted access to the keys for the above.
   (c) Locking cash away when unattended.
   (d) Not counting cash or accessing the safe etc. in view of visitors and members of the public.
   (e) Where large amounts are collected, considering the physical security of the cashier’s office (e.g. access arrangements to the cashiers area; screens; alarm systems etc).

21.4 Budget Holders must ensure that banking arrangements minimise monies held, do not exceed insurance levels and minimise the risk to staff undertaking the bankings. Such arrangements include:
   (a) Measures to minimise actual cash (e.g. use of cheques and debit / credit cards).
   (b) Regular bankings, at least weekly, and daily whenever cash exceeds £5,000.
   (c) Use of night safe facilities when banks are not open.
   (d) Varying the timing and route of visits to the bank, and the staff undertaking the bankings.
   (e) Not utilising conspicuous bags etc. to transport monies.
   (f) Use of security services for cash sums in excess of £5,000.
   (g) Budget Holders must not allow levels of cash held to exceed the maximum permitted limits (£5,000) set under the insurance policy for monies held in a safe during working hours and overnight.

22.0 IMPREST ACCOUNTS

22.1 Imprest Bank Accounts are used for items of expenditure for which it is not practical/cost-effective to pay through the normal payments system. Generally, such payments will be small in value, or one-off purchases. Payments to regular suppliers should be made through e-Business Suite or local Bank Accounts (Schools only). The Council requires that Imprest Accounts should be held at an absolute minimum. Government Procurement Cards (see Financial Regulation 23) must be used where an establishment regularly purchases individual items with a value of less than £50.
22.2 The Budget Holder (account holder) is responsible for ensuring that:

(a) Imprest cash and chequebooks are safeguarded from theft and misuse, that access is restricted, and that they are locked away when not in use.

(b) Expenditure incurred through Imprest accounts is bona-fide, lawful and in accordance with the requirements of the service.

(c) Expenditure is within budget limits.

(d) There are adequate procedural notes specifying the respective responsibilities of staff involved in the operation of the Imprest Account.

The Payables & Systems Data Management Team, within LGSS, will monitor the use of Imprest Accounts.

22.3 The opening of Imprest Accounts must be authorised in accordance with the Scheme of Operation approved by the Chief Finance Officer. The Payables & Systems Data Management Team must be notified of any wish to close, amend or transfer an Imprest Account.

Inappropriate Expenditure

22.4 The following expenditure must not be made through Imprest Accounts:

(a) Payment of salaries or wages to employees or payments which could be considered as such by HMRC e.g. honoraria.

(b) Payments to contractors in the Construction Industry (for more information, see Subcontractors – Construction Industry Tax Deduction Scheme.

(c) Payment of any expenses to County Council employees.

(d) Payment for items which can be acquired using a Government Procurement Card (see Purchasing Guide).

(e) Payment of cash to ‘casual’ workers or young people.

(f) Payments or rewards to employees that are unacceptable e.g. paying for an employee’s retirement do.

Supporting Documentation

22.5 Claims must be submitted and approved via the Internet Procurement system. They should be submitted sufficiently regularly to ensure the account does not become overdrawn (normally at least monthly).

22.6 Claims must be supported by adequate documentation to support the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:

(a) The reason for / details of the expenditure

(b) Date expenditure was incurred

(c) Amount of expenditure

(d) Signature of person incurring the expenditure.
22.7 Wherever possible the supporting documentation must be a VAT invoice / receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

**Separation of Duties**

22.8 There must be a separation of duties between the persons:

(a) Operating the Imprest and preparing the claim and reconciliation statement (signing the “Prepared By” statement)

(b) Signing the certification statement on the claim

22.9 The person operating the Imprest and preparing the claim and reconciliation must not be a cheque signatory.

22.10 The person signing the claim certification statement is responsible for:

(a) Checking that the documentation supporting the claim is complete and satisfactory.

(b) Checking that the claim and reconciliation statement is correct both in principle and arithmetically.

(c) Physically checking the figures in the reconciliation statement, e.g. verify the accuracy of the cheques outstanding figure and the bank balance.

(d) Counting cash in hand, and ensuring it agrees to the amount entered on the claim.

22.11 Reimbursement of claims will normally be made direct to the Bank, the amount being notified to the Account Holder. No other monies are to be paid into the imprest account.

**Imprest Levels**

22.12 The Imprest Account must never go overdrawn. Any overdrawn accounts will be immediately referred to the Budget Holder, who must take the necessary remedial action. Government Procurement Cards should be used to ensure expenditure does not exceed Imprest levels.

22.13 Imprest Account levels should be monitored to ensure that they continue to provide sufficient funds to cover approximately 8 weeks average Imprest expenditure. Services/Corporate Directorates should specify procedures for approving Imprest levels. Temporary increases can be obtained to cover anticipated periods of exceptional expenditure.

22.14 Further guidance can be found here.

**23.0 GOVERNMENT PROCUREMENT CARDS**

23.1 Government Procurement Cards are to be used for items of expenditure for which it is not practical / cost-effective to pay through the e-Business Suite system. Generally, such payments will be under £50, or one-off purchases,
or where it is inefficient to raise an order and pay an invoice (e.g. conference fees, books, subscriptions, rail travel).

23.2 Each Government Procurement Card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this Regulation.

23.3 The Budget Holder is responsible for ensuring that all staff assigned a Government Procurement Card are operating procedures such that

(a) Cards are safeguarded from theft and misuse.

(b) Expenditure incurred through the use of Government Procurement Cards is bona-fide, lawful and in accordance with the requirements of the service.

(c) Expenditure is within budget limits.

23.4 All cardholders must use their Government Procurement Card in accordance with the requirements laid down in the Purchasing Guide. The Procure to Pay team will monitor the use of Government Procurement Cards to ensure that the requirements are adhered to.

23.5 The allocation of Government Procurement Cards must be authorised by the Budget Holder and sanctioned by the Head of Procure to Pay. Transaction limits and monthly credit limits for each card must be approved by the Procure to Pay Manager.

Supporting Documentation

23.6 A transaction log must be maintained by all cardholders.

23.7 The Budget Holder is responsible for checking the transaction logs to the statement and authorising that the payments are within budget and lawful.

23.8 All expenditure must be supported by adequate documentation to substantiate the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:

(a) The reason for and details of the expenditure

(b) Date expenditure was incurred

(c) Amount of expenditure

23.9 Wherever possible the supporting documentation should be a VAT invoice/receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

24.0 STOCKS AND STORES

24.1 The County Council holds stocks and stores of some items needed on a day-to-day basis.
(a) The Budget Holder is responsible for ensuring that adequate procedures and financial controls are in place to ensure the appropriate use of these assets, such that

(b) Records and procedures are sufficient to identify transactions and the volume and value of all usable stocks / stores held.

(c) Stocks and stores are properly secured.

(d) Best value is obtained in the provision of stocks and stores

**Stocks/Stores Records**

24.2 The minimum stock records that must be maintained (whether manual or computerised) are:

i. Stock Item No. (if applicable)

ii. Stock description

iii. Issues – Date and Quantity

iv. Details of who the stock issued by
to

v. Details of who the stock issued

vi. Receipts – Date and Quantity

vii. Returns – Date and Quantity

viii. Recommended order quantities to replenish stocks

ix. Orders outstanding

24.3 The receipt and issue of all stocks and stores should be adequately authorised and recorded promptly.

24.4 Records should value stocks / stores following the Council’s Accounting Policy, which requires that stocks be valued at the lower of cost or net realisable value.

**Security**

24.5 Stocks and stores (and stores records) should be held securely, properly insured and access should be restricted to authorised staff.

**Stock Checks**

24.6 A systematic approach to stock checking must be taken, including completing an independent physical count of stocks at least once a year. During the year, storekeepers should check stocks held to stock records on a regular basis. Results of stock checks and records of all adjustments should be maintained for inspection by Internal Audit.

24.7 Where Stock Accounts are maintained in e-Business Suite, a Stock Certificate must be completed at the end of each financial year (see Appendix H) and returned to the appropriate Finance Team.

**Authorisation and Approval**

24.8 Orders should be completed in accordance with the Financial Regulation on the purchasing of goods / works / services.

24.9 Separate people should carry out the three elements of stores management, i.e.:

(a) authorisation (of orders to replenish stocks, write offs, or stock usage)
(b) custody of stocks/stores and record keeping
(c) checking stocks to records

24.10 Where, as a result of a stock check, a deficiency is identified, amounts of up to £5,000 may be written off by the Chief Finance Officer. Where the adjustment is greater than £5,000 it must be approved by the General Purposes Committee in accordance with the Constitution. Full records of all adjustments must be retained for audit inspection.

**Best Value**

24.11 In general, stocks / stores should be maintained at minimum levels consistent with operational requirements.

24.12 Order quantities should be calculated to obtain economies in purchasing consistent with minimising investments in stocks as in 25.11

24.13 Where stocks have a limited shelf life or are liable to obsolescence, stores should be used on a first in first out basis.

24.14 Disposal of surplus or obsolete stocks / stores must be undertaken in accordance with the County Council’s Contract Procedure Rules.

24.15 Indicators of stores performance must be kept to provide information on effective stock management:-

- Value of stock by type of stock and total value
- Results of physical counts
- Surpluses and deficiencies between physical and recorded stock balances
- Out of stock situations
- Stock turnover ratios
- Excessive and / or slow moving stocks
- Items written off and the reasons for write-off
- Disposals of equipment
- Frauds, theft discovering, and attempted security violations

**25.0 SECURITY OF ASSETS**

25.1 This Regulation applies to all assets (owned or leased), which cost more than £500 and to all portable and attractive items owned by the Authority.

25.2 Budget Holders are responsible for ensuring that:

25.3 Proper security is maintained at all times for all buildings, furniture, plant, equipment, vehicles, stores, stocks, cash etc. under their control. They should also aim to achieve maximum utilisation of such assets in the provision of services.

25.4 Appropriate inventory records are maintained, in accordance with the instructions in Appendix G.
25.5 Surplus or obsolete materials, stores or equipment are disposed of in accordance with the County Council’s Contract Procedure Rules.

25.6 Inventory records should ordinarily be maintained using the standard County Council Inventory Book, obtainable from Facilities Management Section within Corporate Directorates. Any alternative method of recording inventories must be approved by Internal Audit.

25.7 Registers of key holders for buildings, safes etc. should be maintained. Keys should be issued to as few people as possible.

25.8 The Chief Finance Officer shall maintain a register of all properties held by the Authority, showing the purpose for which the property is held, the location, extent and plan reference, purchase details and the nature of the interest.

25.9 The LGSS Director of Law, Property and Governance shall arrange for the safe custody of title deeds in respect of land and properties.

26.0 INFORMATION SYSTEMS SECURITY

26.1 The County Council’s Information Systems Security Policy must be followed.

27.0 FRAUD AND CORRUPTION

27.1 The County Council is committed to the elimination of fraud and corruption and is determined to protect itself from such unlawful activities, whether they are attempted from within or by an outside individual, group or organisation. The County Council’s Anti Fraud and Corruption Policy must be followed.

28.0 WHISTLEBLOWING

28.1 The County Council is committed to the highest possible standard of operation, probity and accountability, and recognises that its workers are often the first to realise that there may be something wrong within the Council. Please follow the Whistleblowing policy, rather than ignore the concern.

29.0 AUDIT REPORTING AND ESCALATION PROTOCOL

29.1 Audit Managers are responsible for ensuring that draft audit reports are issued within a maximum of 4 weeks of completion of the audit fieldwork. Recipients of audit reports are responsible for responding in writing to the factual accuracy of the draft report and providing a satisfactory response to recommendations within 4 weeks of issue. Reminders to draft reports are issued after 4 weeks. Final audit reports will be issued incorporating the management response within 2 weeks of receipt. For expediency, email is the preferred form of communication.

29.2 Where material recommendations are not accepted or no response is received within the timeframes specified, the Audit Manager will discuss with the client and, if still no acceptance or response, will report to the relevant Director.
29.3 If a satisfactory response is not received after referral at 30.2 above, the Audit Manager reports to the Head of Audit and Risk Management who decides on further action. (This may involve reporting to the Chief Finance Officer with recommendations for further action).

29.4 Where responses to draft reports have not been received within 2 months, this will be reported to the Audit and Accounts Committee.

29.5 Timescales will be accelerated where there is significant risk of material loss or error or where particularly sensitive or contentious issues are involved.

29.6 Audit Managers are responsible for bringing to the attention of the Head of Audit and Risk Management, significant audit findings and sensitive or contentious issues.

29.7 The Head of Audit and Risk Management briefs the Chief Finance Officer monthly on audit issues and findings. The Head of Audit and Risk Management is responsible for deciding on those issues sufficiently important to bring to the attention of the Chief Finance Officer between these meetings.

29.8 The Head of Audit and Risk Management is responsible for identifying and reporting major issues to the Chief Finance Officer and appropriate Corporate Leadership Team members.

29.9 A periodic ‘audit issues’ report is presented to the Audit and Accounts Committee. Between meetings of the Committee the Head of Audit and Risk Management is responsible for reporting major issues to the Chairman of the Committee.

29.10 Follow-up audits have been introduced to ensure proper implementation of audit recommendations where major weaknesses in systems have been identified. Progress on the implementation of recommendations is reported periodically to the Audit and Accounts Committee.

30.0 FINANCE MANAGEMENT ARRANGEMENT FOR SERVICES

30.1 SERVICE MANAGEMENT TEAMS

30.1.1 Collectively, Service Management Teams have a responsibility to ensure the right climate for financial management to meet their objectives. A crucial element of this is striking a balance between keeping control of the Office’s overall position whilst giving individual managers the responsibility and managerial freedom to take decisions themselves.

30.1.2 Service Management Teams need to recognise that all Directorates within the Service make a vital contribution to the achievement of the Service Plan and key objectives. In determining annual budget cash limits, and allocating either budget cuts or new resources, the Service Management Team will seek to ensure, within the context of the political decision making process, a fair distribution of resources between Directorates. The framework within which this principle of budget allocation will apply is the Business Planning (BP) process.
30.1.3 Service Management Teams will receive a monthly Finance & Performance Report from their Strategic Finance Manager throughout the year (except for April) setting out the latest position and including (from May) an updated outturn projection for the Service. This will be based on the information from the e-Business Suite system as adjusted for any additional information available. It is a Service Management Team responsibility to monitor spending against the cash limits approved by Full Council. Other management teams throughout the Service should also consider such reports on a regular basis.

30.1.4 Each Service shall, at all times, endeavour to secure best value for money and shall:

a) establish, wherever possible, cost targets and performance measures for its various services and functions;

b) establish sound arrangements for the planning, appraisal, authorisation and control of its resources and ensure that these are working properly in order to achieve economy, efficiency, and effectiveness in its operations; and

c) establish arrangements to achieve and report efficiency savings as required by the Council.

30.2 BUDGET REVIEWERS

30.2.1 Individually, members of the Service Management Team, and other line managers, will act as Budget Reviewers for their own areas of responsibility. As the line manager of Budget Holders, this reviewing role involves:

a) Monitoring Budget Holders’ management of budgets and delegation arrangements through regular supervision, periodic managerial (team) meetings and the annual appraisal system.

b) Promotion of budget holder skills and abilities in financial management in order to reduce financial risk, in accordance with the Financial Training Plan.

c) Communication to their staff of financial decisions taken at the Service Management Team.

d) Agreeing with the Budget Holder any significant remedial action required to keep within budget, and to meet corporate targets in relation to prompt payment of invoices and debt collection.

e) Reviewing debt management protocols and criteria.

f) Authorising virement between their Budget Holders, on the e-Business Suite, in accordance with the appendix I, to ensure, collectively, expenditure is kept within target, and taking advice from the Capital
Accountant in relation to virements of capital between programme areas.

g) Reporting to Service Management Team, when the Strategic Finance Manager presents monthly finance & performance information, any significant action taken or required to keep on budget. Where, overall, a major budgetary problem is forecast, the Budget Reviewer must identify and report on options to bring expenditure back within budget.

h) Ensure that Council targets relating to required efficiency savings are being achieved and reported.

30.3 BUDGET HOLDERS

30.3.1 Financial regulations operate on the principle that every budget head has one (and only one) Budget Holder.

30.3.2 The Budget Holder’s role is to:

a) Set the budget level of individual expenditure/income heads within the cash-limit allocated, using the e-Business Suite budgeting system, in accordance with instructions issued by LGSS Finance.

b) Authorise orders for expenditure to be incurred, and arrange for income to be collected, against budgets held.

c) Control budgets within the overall total allocated to them.

d) Ensure that financial administration (including any records not kept on e-Business Suite) in connection with budgetary responsibilities is carried out efficiently in accordance with financial regulations, consistent with meeting corporate targets set for prompt payment of invoices and debt collection.

e) Respond to the Debt Management referrals within the timescales set out in the Debt Management Escalation Protocol (appendix F).

f) Develop personal and team skills in financial management and administration.

g) Approve virement within their budget responsibility, as allowed by these regulations.

h) Update monthly outturn forecasts on a regular basis, on e-Business Suite, in accordance with timetables, in conjunction as necessary with their financial adviser, and alert their Budget Reviewer to significant budgetary problems.

i) Ensure correct profiles are used on the e-Business Suite, to aid budgetary control.
j) Respond to Internal Audit reports on areas specific to their responsibility, within timescales agreed with the Head of Audit and Risk Management.

k) Identify and report to their Budget Reviewer, efficiency savings made.

l) Safeguard accounting documentation held to prevent loss, destruction or unauthorised alteration. Data maintained on computer must be physically and logistically protected and regularly backed-up to ensure that data can, if necessary, be recreated within a reasonable working period.

30.3.3 The Budget Holder is responsible for:

a) Positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

b) Understanding and ensuring compliance with this Scheme of Financial Management.

c) Complying with Service variations to the Finance Management Arrangements for Services.

d) Timely implementation of agreed audit recommendations.

e) The introduction and maintenance of adequate and cost effective systems of internal control within their area of responsibility.

f) Initiating exception reports, where necessary, for the Strategic Finance Manager and / or Head of Audit and Risk Management.

g) Reporting any potential overspending or underspending to their line manager in a timely manner.

h) Training and developing themselves and their staff in relation to financial competencies in line with the Financial Training Plan.

30.4 Delegation of Financial Responsibility

30.4.1 Budget Holders may delegate further the processing of some of their budget-holding responsibilities, including the reassigned authority to authorise e-Business Suite orders under delegated authority, to nominated staff subject to approval by their Strategic Finance Manager. Application for such approval should be made, setting out which budgets are involved and to whom delegation is proposed.

30.4.2 Budget Holders must ensure that these delegated arrangements are clearly documented and communicated to staff concerned.

30.4.3 In any case, the formal ultimate responsibility for managing budgets rests with the designated Budget Holder. They must ensure that suitable controls
and appropriate financial administration are in place for them to fulfil their responsibilities.

30.4.4 Where Budget Holders delegate some responsibilities, they themselves are still accountable to their Budget Reviewer and must ensure that, through supervision and management team meetings, they are monitoring the budgetary situation.

30.5 **LGSS FINANCE**

30.5.1 LGSS Finance will provide information, support and advice to all Budget Holders, Budget Reviewers and other staff/managers to assist them in their financial responsibilities. Service Level Agreements with Budget Holders may be put in place to provide additional clarification of the role of Finance. These arrangements may take into account risk analysis of the area of budget activity and the level of expertise and support available to each Budget Holder.

30.5.2 The e-Business Suite system is the definitive record of financial transactions, supported by systems that feed into / interface with e-Business Suite, e.g. CRIP. Any local records used for budget management purposes should be reconciled by Budget Holders back to e-Business Suite.

30.5.3 As well as supporting Services, Finance will carry out an enforcement role in ensuring that Budget Holders adhere to this Scheme of Financial Management and any other corporate requirements. Finance must also provide information for overall corporate reports on the annual budget, in-year budget monitoring, and the final outturn.

30.5.4 Each Budget Holder will have a financial adviser allocated to them to act as a first point of contact in Finance and to provide the support required for the day-to-day management of budgets.

30.5.5 Customer feedback on the effectiveness of the Finance Section role will be sought. Finance must ensure that the Financial Training Plan and Budget Holder competencies are implemented.

30.6 **BUDGET SETTING**

30.6.1 The budget setting process is critical to successful financial management and, in strategic terms, will flow from the Corporate (including BP), Service and Directorate Plans, which set priorities for service changes and investment.

30.6.2 The Chief Finance Officer shall issue Notes of Guidance annually on the processes for preparing the BP and the Annual Budget.

30.6.3 At a more detailed level, instructions for Budget Holders on constructing their budget will be issued by LGSS Finance at the start of each BP process.
30.6.4 Budget Holders must make every effort to ensure that budgets they set meet commitments or likely commitments to be encountered. Setting budgets at a level which is known to be unmanageable is not permitted. Budget Holders who cannot contain such budgets within their overall cash limit must alert their Budget Reviewer at the earliest opportunity.

30.6.5 Budget Holders will be notified of their final budget allocations as soon as possible after the County Council’s annual budget meeting in February and by 31 March at the latest.

30.6.6 The BP process is the prime process. In-year requests for supplementary estimates are not permitted, except in exceptional circumstances and after prior consultation with the Chief Finance Officer (see financial regulations 6.4 and 7.3).

30.7 **BUDGETARY CONTROL**

30.7.1 A Service’s overall budgetary position is the responsibility of either the Executive Director (ETE and CFA) or the Service Director (Customer Service and Transformation), and this responsibility cascades down through Service Management Team, Budget Reviewers and individual Budget Holders.

30.7.2 At each level, managers must ensure that budgetary targets are met and, if particular budgets are forecast to overspend, early warning should be given and remedial action taken within the immediate management group to address this situation. Only when collectively that overspend cannot be contained should the problem be referred to the next management level. The role of the Budget Reviewer is crucial in this process, especially where the scope for remedial action at Budget Holder level is limited.

30.7.3 In order to ensure that reports are giving a correct message, it is important that Budget Holders pay particular attention to the way their budgets are profiled in the accounting system and action changes to profiles if these do not accord with realistic spending patterns.

30.7.4 LGSS Finance may require additional information and explanation from Budget Holders and their Budget Reviewers where the Service Finance & Performance Report gives cause for concern. This should include the financial impact of any remedial action taken.

30.7.5 Financial projections of likely budget positions at the end of the year should also be reported to management teams on a regular basis. These forecasts are the responsibility of the Budget Holder, and this is facilitated by the e-Business Suite system, but the financial adviser may assist in their production and will undertake a verification of the final projection.

30.7.6 Should any remedial action be required to achieve a balanced budget, Budget Holders must use virement facilities on the e-Business Suite to transfer budget between heads within their control to reflect this.
30.7.7 Where virement between their Budget Holders is required, this must be actioned on the e-Business Suite by the Budget Reviewer, who must comply with the authorisation rules as set out in appendix I.

30.7.8 In order to encourage optimum use of resources, carry-forwards of over/under spends will normally be considered at the end of the financial year for each Budget Holder. However, Service Management Team will make final decisions each year about carry forward arrangements in the context of the Corporate and Service spending position, taking into account such factors as:

a) Assessment of efficiency savings, fortuitous underspends, or overspends resulting from unforeseen or uncontrollable commitments;

b) Planned use of carried forward underspends; and

c) The position of Budget Holders who have overspent. Any overspend carried forward must be the first call on budget available in the new financial year, and the Budget Holders will be required to provide LGSS Finance with an explanation of the overspend and a plan of how it will be recovered.

30.8 CAPITAL

30.8.1 The annual capital budget / programme is approved each year in February in the context of the BP process and of Government Credit Approvals / Grants, and in the case of ETE, the LTP settlement.

30.8.2 Every scheme in the programme will have an agreed budget and identified source of funding. All variations in the estimated cost of schemes and/or the sources of funding must be approved by Service Management Team.

30.8.3 For each scheme in the programme a manager will be designated as Budget Holder. The Budget Holder’s responsibility is to monitor both progress and financial performance e.g. expenditure against the capital budget, and to alert the Capital Accountant and Strategic Finance Manager to significant financial control problems and/or slippage in the completion of the scheme.

30.8.4 A monthly capital monitoring report will be prepared and included in the Service Finance & Performance Report, which will be presented to their respective Committee bi-monthly. These capital monitoring reports will also feed into the corporate Integrated Resources and Performance Report, which is presented to SMT monthly and the General Purposes Committee bi-monthly.

30.9 AUTHORISATION OF VIREMENT PROPOSALS

30.9.1 Revenue and capital virement authorisation limits are set out in appendix I.
STATEMENT OF FINANCIAL RESPONSIBILITIES

1. **Chief Executive**

   The Chief Executive will be responsible for:
   
   - understanding the nature of reporting needed under Sections 151 and 114 and the delegation arrangements in place to ensure proper performance.
   - establishing an effective monitoring and reporting framework to enable him to properly hold Executive Directors or Service Director (Customer Service and Transformation) accountable for the discharge of their responsibilities.
   - positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

2. **Chief Finance Officer**

   The Chief Finance Officer is the Chief Finance Officer with the Section 151 and 114 responsibilities.

   The Chief Finance Officer will be responsible for:
   
   - setting adequate standards, protocol and procedures for budgeting, accounting, systems, and reporting and for establishing a framework of monitoring to ensure these requirements are met.
   - positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
   - advising officers on the issues and circumstances in which reporting is needed.
   - accepting reports from Executive Directors or Service Director (Customer Service and Transformation) on an exception basis.
   - accepting routine reports from Strategic Finance Managers.
   - the maintenance of a structured scheme of financial training.
   - reporting on an exception basis to the Chief Executive.

3. **Executive Directors and Service Director (Customer Service and Transformation)**

   Executive Directors and the Service Director (Customer Service and Transformation) are responsible for:
   
   - understanding the nature of reporting needed under Sections 151 and 114.
- establishing an effective monitoring and reporting framework to ensure a proper awareness of significant issues.
- reporting as required to the Chief Executive (and as appropriate to the Chief Finance Officer) on any significant issue relating to their area of responsibility.
- ensuring staff throughout their departments are aware of their responsibilities and are capable of discharging them.
- ensuring adequate standards of internal control within their departments, and in particular, through their Service Management Team, ensuring the proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- identifying the individual Directors responsible for ensuring proper control for particular services (including corporate controls such as the register of interests).
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

4. **Strategic Finance Managers**

Strategic Finance Managers are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- obtaining the necessary information about their services to enable them to report (including receiving reports from the appropriate Service Finance Manager and/or Principal Accountant).
- initiating exception reports, when necessary, to the relevant Executive Director and to the Chief Finance Officer.
- ensuring proper awareness within the Service Management Team of the principles of control and the requirement for the introduction of cost effective control systems.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- the introduction and maintenance of variations to the Finance Management Arrangements for Services.
- establishing a framework of monitoring to verify that control requirements are met and agreed internal audit recommendations are implemented on a timely basis.

5. **Service Directors**

Service Directors will act for Executive Directors over his / her internal control responsibilities. This role will involve (within their areas of responsibility):
positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

- ensuring all applicable staff have seen and understand the Scheme of Financial Management.

- ensuring proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.

- ensuring timely implementation of agreed internal audit recommendations.

- establishing a robust monitoring and reporting framework to ensure control responsibilities are met.

- initiating exception reports where necessary to the Strategic Finance Manager and/or Head of Audit and Risk Management.

- reporting any potential overspending or underspending to their Executive Director.

- ensuring levels of financial competence in line with the Financial Training Plan.

6. **Head of Audit and Risk Management**

The Head of Audit and Risk Management is responsible for:

- the independent audit of internal financial control systems within the authority to assess their adequacy to ensure:
  - reliable financial and other management information and reporting
  - compliance with laws, regulations, policies, rules, etc.
  - properly safeguarded assets and interests
  - efficient and effective operations

- recommending and gaining acceptance of improvements to systems of internal control identified as necessary during the course of audits.

- reporting to
  - Strategic Finance Managers / Executive Directors and Service Director (Customer Service and Transformation).
  - Chief Finance Officer
  - Audit and Accounts Committee
  - the relevant Budget Holder

on main control issues, improvements agreed, and improvements made.

- initiating on an exception basis such reports that are necessary for the Chief Finance Officer and/or Chief Executive.

- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- providing advice on the nature of internal controls, the potential consequences of poor control and the control options available to reduce or limit risk.

7. **General Purposes Committee (GPC)**

The GPC delegated authority includes:

- authority for monitoring the overall performance of the Council against its Business Plan

- authorising budget virement which is not covered within the limits of virement contained in the Council’s financial rules, provided there is no change in the approved policy framework of the Council. Virement limits are set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules)

- authorising proposals which are not covered by the finance limits of the Executive Directors and Service Director (Customer Service and Transformation) delegated powers contained in A3 – A7, as set out in the table at paragraph 3 of Part 3D of the Constitution, provided there is no change in the Council’s approved budget and policy framework.

A full list of the GPC’s delegated authority can be found in Part 3B of the Constitution (Responsibility for Functions).
RETENTION OF FINANCIAL RECORDS

It is important that records (computerised or manual) are carefully retained and systematically filed as they are required for inspection by a number of agencies such as Internal Audit, the external auditor, Contributions Agency, HMRC officials etc.

The required MINIMUM period for the retention of financial records is:

**CURRENT FINANCIAL YEAR PLUS THE THREE PREVIOUS FINANCIAL YEARS**

This applies to:

- Receipts,
- Till Rolls,
- Invoices,
- Copy Orders,
- Audit Trails,
- School Meals and School Funds Records,
- Government Procurement Card Transaction logs.

The advised periods for the retention of other financial records are detailed below:

<table>
<thead>
<tr>
<th>Accounts etc</th>
<th>Period of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Contracts</td>
<td>6 years after agreement ends</td>
</tr>
<tr>
<td>Purchasing Contracts</td>
<td>6 years after agreement ends</td>
</tr>
<tr>
<td>Stock Inventories</td>
<td>7 years</td>
</tr>
<tr>
<td>Published Accounts</td>
<td>Permanently</td>
</tr>
<tr>
<td>Taxation Returns</td>
<td>Permanently</td>
</tr>
<tr>
<td>External Audit Reports</td>
<td>Permanently</td>
</tr>
<tr>
<td>Cheques</td>
<td>6 years</td>
</tr>
<tr>
<td>Bank Statements</td>
<td>6 years</td>
</tr>
<tr>
<td>Cash Statements</td>
<td>6 years</td>
</tr>
<tr>
<td>Deeds of Covenant</td>
<td>12 years after final payment</td>
</tr>
<tr>
<td>Primary Salaries &amp; Wages Records</td>
<td>7 years</td>
</tr>
<tr>
<td>Expense Accounts</td>
<td>7 years</td>
</tr>
<tr>
<td>Pension Scheme Records</td>
<td>Permanently</td>
</tr>
<tr>
<td>Business Planning Papers</td>
<td>3 years</td>
</tr>
<tr>
<td>Budgetary Control Reports</td>
<td>3 years</td>
</tr>
</tbody>
</table>

**Insurance**

- Insurance Policies (Excluding Liability) 6 years after lapse
- Liability Insurance Policies Permanently / Indefinitely
- Insurance Claims 6 years after settlement
- Insurance Schedules 10 years
THE SERVICE REPORTING CODE OF PRACTICE (SERCOP) - DEFINITION OF ACTIVITIES TO BE TREATED AS TRADING ACCOUNTS

The 2014/15 version of the SERCOP issued by CIPFA defines the five main types of trading operation that may be run by local authorities as:

1. Trading services or undertakings with the public or with other third parties. These include, amongst others, catering undertakings, markets, trade refuse collection and industrial units.

2. External trading organisations (ExTOs), which have won contracts from other public bodies, for example under the Local Authorities (Goods and Services) Act 1970.

3. Work carried out by internal trading organisations (InTOs) arising from voluntary competitive tendering (VCT) exercises.

4. Support services provided in a free internal market, i.e. to schools or to other budget holders who have been given freedom to buy externally if they wish.

5. Support services provided in a limited internal market, e.g. where budget holders are free to decide the quantity and type of work to be done on the basis of the prices quoted to them, but not to buy externally.

(Best Value Accounting Code of Practice 2014/15, Section 2.33 – Trading Accounts and Trading Operation, p.59)
TRADING BUDGETS AND EXTERNAL TRADING

1. PURPOSE

1.1 To offer guidance to Trading Unit Managers as to the considerations that should be brought into account in seeking to undertake work for other organisations.

2. ADVICE TO TRADING UNIT MANAGERS

2.1 There are four aspects to this area:

(i) Legal considerations
(ii) Prudential considerations
(iii) Business considerations.
(iv) Other considerations

2.2 Legal

The Local Government Act 2000 gives Local Authorities a general power to do anything which they consider likely to achieve the promotion or improvement of the economic, social and/or environmental well being of their area. The power cannot be exercised in a way which is otherwise prohibited and the manner in which it is to be exercised needs to be reflected in the Council's Community Strategy.

In addition, the duty on Local Authorities in the Local Government Act 1999 to secure Best Value requires Councils to make arrangements to secure continuous improvements in the way in which functions are exercised having regard to a combination of economy, efficiency and effectiveness.

It is open for Local Authorities to develop trading activities within the framework of the above legislation but proposed commercial activity would need to be linked to both the general power of well-being and the Best Value requirement. It would be prudent to expressly identify proposed trading activity for a purpose or for a body, which is not another Local Authority or public body, within the meaning of the following paragraphs within the Community Strategy.

In addition to the above general powers and duties, Local Authorities still have the ability to put in tenders or bid for work for external clients who fall within the context of other legislation which includes primarily the Local Authorities (Goods and Services) Act 1970 (Public bodies); the Local Government Act 1972 (other local authorities) and certain particular powers in other legislation.

The purposes in the 1970 Act are:

- the supply of any goods or materials, including the purchase and storage of any goods or materials;
- the provision of any administrative, professional or technical services;
• the use by the public body of any vehicle, plant or apparatus and the
placing at their disposal the services of any persons employed in
connection with the vehicle etc.;
• the carrying out of works of maintenance (not construction) in
connection with land or buildings.

2.3 Prudential Considerations
It is important that arrangements should not be entered into which expose
the County Council, and its taxpayers, to financial risk. This means that
Trading Unit Managers must:
(i) consider the existence and availability of suitably skilled staff.
(ii) ensure the adequacy of the preparation of charges for external work
and the management information and control systems. Costings
should be sufficiently wide to cover set-up costs, cash-flow and
provision for termination costs (e.g. potential redundancies);
(iii) ensure that external work is not disproportionately large compared to
service provided within the authority;
(iv) not bid for work / tenders that would involve taking on substantial
extra staff to handle the contract;
(v) where a contract is potentially short-lived, but may require some
additional staff, they should ensure that these staff are appointed on
fixed-term contracts;
(vi) ensure that they consult with the Head of Audit and Risk Management
on appropriate professional indemnity insurance prior to bidding for
work;
(vii) ensure that the purpose of the arrangements is not to maintain
employment.
(viii) ensure that the contract business generates at least a marginal
surplus.

2.4 Business Consideration
Before undertaking such work, Trading Unit Managers should actively
include proposals within its Annual Business Plan for the service.
Consideration in a Business Planning context would encompass:-
(i) does provision further the objectives of the Trading Unit?
(ii) the managerial capability to handle the work, including the need to
ensure that undertaking the work does not overstretch the unit, or
compromise service provision to internal customers.

2.5 Other Considerations / Questions
(i) Is the external work carried out for a County Council Partner? Does it
help to meet mutual objectives? Is the partner from the public
(police/another authority) private or voluntary sector?
(ii) What are the trading arrangements (e.g. annual agreement, spot bought, by project tender). Therefore how long is the external client likely to need the service, and what is the relative security of income?

(iii) What are the risks associated with the contract conditions that apply? Do they offer flexibility to the unit or do they place a commitment on them that, if unfulfilled, would leave the County Council liable in law to fund the work carried out by another organisation?

(iv) What are the “market conditions” that apply to the work? Will pricing in any tender need to be very competitive? Will this significantly increase the risk of returning a loss? Would the Trading Unit therefore charge external clients less than it would an internal client?

(v) What are the benefits (skills/experience) of working for external customers? Will these help the Trading Unit in its work for the County Council?

(vi) What is the scale of the operation of the unit and the present or projected volume and proportion of external work? What are the trends? If trading losses were incurred how large could they be in financial and political terms? What is the “worst case” scenario?

(vii) What is the “critical mass” of the unit? By reducing or removing external work would the critical mass be threatened, thereby increasing unit costs and making the unit less viable? Is there a critical mass in terms of skills and abilities?

(viii) Does external work / customers allow the Council to make better use of facilities - perhaps benefiting the wider community?

3. The above factors are only pointers to the legality, prudence and business sense of an arrangement. It is a matter of striking a balance. Beyond ensuring that the proposals are within legal powers, one adverse factor, alone, may not be a reason not to proceed.

4. Selling services to the private sector would generally be outside the Council’s powers and any proposal in that direction must be agreed in advance with the Head of Audit and Risk Management and the Chief Finance Officer. Very exceptionally, a private sector contract may be permissible if, within existing resources, there is a temporary surplus capacity and the Council could use that capacity to establish that the contract is incidental to the exercise of the Council’s proper functions, and therefore lawful. But such circumstances occur only at the margin and infrequently.

5. The above guidance is simply that, guidance. The essential points, beyond acting within the law, are to act prudentially and consistently within the aims of the Trading Unit. By its nature this guidance is general and specific circumstances vary. Before proceeding with any proposals, Trading Unit Managers should first consult with the Head of Audit and Risk Management and the Chief Finance Officer.
## TRADING BUDGETS’ DIRECT AND OTHER CHARGES

<table>
<thead>
<tr>
<th>Direct Charges for Trading Units</th>
<th>Method of Recharge for Trading Units</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>Direct charge in relation to the amount of accommodation occupied</td>
<td>Charge based on a standard cost per square metre</td>
</tr>
<tr>
<td>Finance</td>
<td>Direct charge</td>
<td>Charged by Finance</td>
</tr>
<tr>
<td>Building Maintenance (Revenue)</td>
<td>Direct Charge (where this is not a County Office)</td>
<td>County Offices come under County Offices Recharge</td>
</tr>
<tr>
<td>Payroll</td>
<td>Direct charge</td>
<td></td>
</tr>
<tr>
<td>Revenues &amp; Benefits</td>
<td>Direct charge - per transaction</td>
<td>Pay As You Use – regular service. Charged by R&amp;B</td>
</tr>
<tr>
<td>Procure to Pay</td>
<td>Direct charge - per transaction</td>
<td>Pay As You Use – regular service. Charged by P2P</td>
</tr>
<tr>
<td>HR – Recruitment</td>
<td>Direct charge - for costs of any recruitment</td>
<td>Pay As You Use – irregular service. Charged by HR</td>
</tr>
<tr>
<td>HR – Training</td>
<td>Direct charge - for costs of any training course</td>
<td>Pay As You use – irregular service. Charged by HR</td>
</tr>
<tr>
<td>Legal</td>
<td>Direct charge - for costs of any legal advice</td>
<td>Pay As You Use – irregular service. Charged by Legal</td>
</tr>
<tr>
<td>Pensions</td>
<td>Direct charge - for costs of any support given</td>
<td>Pay As You Use – irregular service. Charged by Pensions</td>
</tr>
<tr>
<td>Insurance</td>
<td>Direct charge of providing cover</td>
<td></td>
</tr>
</tbody>
</table>
LGSS COLLECTIONS STRATEGY (PROCESS FLOW)

Phase 1 - Recovery Stage

Invoice Raised

- Not paid after 14 days of issue
  - Reminder
    - Not paid after 28 days of issue
      - Final Notice

Std Pay't Term - within 28 days

PAID

UNPAID AFTER 38 DAYS OF ISSUE

Phase 2 - Formal Recovery

- Take Legal Action
  - LINPAI
- Prepare Write Off, e.g. Liquidation
- Refer External Collection Agency

MONITORING BY LGSS COLLECTIONS TEAM

WRITE

PAID
INVENTORY INSTRUCTIONS

1. **PURPOSE**
   1.1 To provide instructions on how inventories must be maintained.
   1.2 Internal Audit must be consulted prior to computerising the inventory.

2. **INVENTORY RECORDS**
   2.1 The inventory must include individual items of value exceeding £500. However, it is recommended that items of lesser value should be included if they are attractive and portable. Furniture need not be included unless it is considered unique or particularly valuable.
   2.2 Serial numbers of equipment must be noted as this information may be very useful to the police if items are stolen. Security marking should be used to record the name of the establishment and its postcode. (Items on loan from other establishments etc. should not be marked).
   2.3 Budget Holders must ensure that the register is kept up to date. Systems therefore should ensure that the person responsible for the inventory is kept fully informed of purchases, loans, write-offs etc.
   2.4 Proper procedures must be established for loans of equipment, including authorisation policy, specification of finite periods of loan and written acknowledgement of loan. Loans out and items borrowed must be recorded in the sections provided at the back of the inventory book.
   2.5 The Budget Holder must sign the inventory book to authorise write-offs, transfers and sales.
   2.6 Budget Holders must ensure that inventories are checked at least annually. The existence of items loaned out, and those held on loan should also be checked. The annual check should be undertaken by someone other than the person responsible for the equipment on the inventory. The check must be documented as specified in the inventory book.
   2.7 Where the Budget Holder is responsible for several establishments or Services/Corporate Directorates, each with their own inventory, a master list of inventories held should be maintained.
   2.8 Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Council, it should be sold at the best price available, in accordance with the County Council’s Contract Procedure Rules. Where computers are to be disposed of, IT advice must be sought in view of the implications for software licences and data security. The agreed price must be paid before removal of the item.
   2.9 A copy of the inventory must also be kept off-site.
CAMBRIDGESHIRE COUNTY COUNCIL

STOCK CERTIFICATE

Stock Description _________________________________

Held at ___________________________________________

I CERTIFY that to the best of my knowledge and belief that:

(1) The total value of stock in hand as at 31st March 20 is £ and individual quantities and value of commodities included in the total are correct. The values have been calculated at the lower of cost and realisable value (see note below).

(2) The commodities shown in the stores records have been the subject of a periodical test examination of stores in hand and all stores have been checked at least once during the year in accordance with Financial Regulation 24.7.

(3) Any surpluses or discrepancies revealed by a periodical test examination or otherwise have been investigated and dealt with in accordance with Financial Regulations 24.11

Signed ___________________________ Service / Corporate Directorate

Position ___________________________ Date ___________________________

TO BE RETURNED TO: The Appropriate Finance Unit
At Shire Hall / Castle Court

Note
Stocks should be valued at cost price unless they are obsolete or have been subject to a price decrease after their purchase. In the former case the best estimate of market value should be used. In the latter case, the correct basis is price at 31st March.
## AUTHORISATION OF VIREMENT PROPOSAL

### VIRE Revenue Budget from Budget Holder To:

<table>
<thead>
<tr>
<th>Revenue</th>
<th>Over £160,000</th>
<th>£50,000 to £160,000</th>
<th>£10,000 to £50,000</th>
<th>Less than £10,000</th>
</tr>
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<td>Strategic Finance Manager / Heads of Services</td>
<td>Both Budget Reviewers</td>
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Note:  
(1) GPC approves virement over £160,000 between main budget headings defined as the objective analysis of expenditure incorporated in the published Budget report for each Service Block.  
(2) Virement from one off underspending to meet ongoing commitments will not normally be authorised.

### VIRE Capital Budget from Budget Holder To:

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<th>Over £250,000</th>
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</table>
CONTACT OFFICERS

In case of any query on Financial Regulations, please contact any officer listed below.

Finance, Property and Performance - Corporate Directorate

Chris Malyon  Chief Finance Officer  01223 699796
Chris Law  Head of Transactions  01604 367126

Service Offices

Sarah Heywood  Strategic Finance Manager (Children, Families and Adults)  01223 699714
Ian Smith  Strategic Finance Manager (Corporate Finance, Economy, Transport & Environment, Corporate Services & LGSS)  01223 699807

Audit and Risk Management - Corporate Directorate

Neil Hunter  Interim LGSS Head of Audit & Risk Management  01223 715317
# REFERENCES

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<td>Councils Constitution</td>
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FINANCIAL REGULATIONS

1.0 GENERAL CONTEXT

1.1 These Regulations are required by law and by the Council’s Constitution (Part 4.6 - Financial and Contract Procedure Rules, which is contained within Part 4 – Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council’s financial affairs.

1.2 The Chief Finance Officer is designated under the Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council’s financial affairs. He / she is also responsible under Section 114 of the Local Government Finance Act 1988 to report formally any instance of unlawful expenditure (potential or actual) to the authority’s members and external auditors.

1.3 The Regulations should be read in conjunction with the Scheme of Delegation to Officers (Part 3D, which is contained within Part 3 – Responsibility for Functions) including, in particular, the Finance limits of Delegated Powers to Executive Directors and Service Director (Customer Service and Transformation).

2.0 FINANCIAL CONTROL – GENERAL

2.1 Each Executive Director or Service Director (Customer Service and Transformation) must immediately inform the Chief Finance Officer of any matters arising, decision or course of action or proposed decision, proposed course of action or entry of an item of account relating to his / her Service/Corporate Directorate, which may give rise to a report under Section 114 of the 1988 Act (see Regulation 1.2 above).

2.2 The Statement of Financial Responsibilities (Appendix A) details the responsibilities and reporting, to conform with Sections 114 and 151, to be discharged by the following officers:

(i) Chief Executive

(ii) Chief Finance Officer

(iii) Executive Directors and Service Director (Customer Service and Transformation)

(iv) Strategic Finance Managers

(v) Service Directors

(vi) Head Of Audit and Risk Management

This appendix also includes the delegated authority to the General Purposes Committee.

2.3 Each Executive Director or Service Director (Customer Service and Transformation) shall ensure that all the documents that comprise the overall Scheme of Financial Management are observed throughout his / her Service. Where a Service wishes to operate more detailed schemes of local financial management, these must be consistent with Financial Regulations and be
approved by the Chief Finance Officer. Any such schemes are subsidiary to the overall Scheme of Financial Management, which takes precedence. Schemes of local financial management currently approved under this section are:

- Education - Scheme of Financial Management for Schools

2.4 No Service shall:

(a) cause or allow its expenditure, whether of a revenue or capital nature, to exceed its financial allocation, including any subsequent variations made available to it;

(b) divert financial provision from one heading to another heading in the revenue estimates, or from one project to another in the capital estimates, except in accordance with the rules for virement as specified in the Finance Management Arrangements for Services (section 30.0).

2.5 Each Executive Director or Service Director (Customer Service and Transformation) is responsible for the control of workers and the security, custody and control of all other resources including plant, buildings (except where they are the responsibility of the Chief Finance Officer) materials, cash and stores appertaining to his / her Service.

2.6 Financial and management responsibilities must be aligned, so that managers are responsible for the financial consequences of their decisions. A single Budget Holder must be assigned to each budget i.e. cost centre. The discharge of budget management responsibilities will be appraised through the Council’s Scheme of Performance Management.

3.0 FINANCIAL SYSTEMS / RECORDS

3.1 The Chief Finance Officer is responsible for the operation of the County Council’s accounting system, the form of accounts and the supporting financial records.

3.2 The e-Business Suite shall be the prime system upon which final assessments of financial performance shall be made, and statutory accounts, grant claims and budgets must be reported from data held on e-Business Suite. Services must seek authorisation from the Chief Finance Officer before implementing local financial systems and will use the Council’s e-Business Suite system as the overall accounting record. The sole approved exception relates to schools, who are authorised to operate local bank accounts in accordance with the Council’s Scheme of Financial Management for Schools.

3.3 Services must reconcile any local accounting records to the Council’s central financial information system throughout the course of the financial year.

3.4 All documents, invoices, etc., pertaining to transactions on central and local accounting systems must be retained in accordance with the requirements set out in Appendix B (Retention of Financial Records).
4.0 BANKING / CASH MANAGEMENT / TRUST FUNDS

4.1 The Chief Finance Officer has delegated responsibilities for the Treasury Management function (management of debt and the borrowing and investment of money) and arranging and operating the Council’s banking facilities. This means that no other officers are empowered to open any kind of bank account, to invest or borrow any money, or to enter into any credit arrangement. The exception on bank accounts is where schools are given permission to open accounts in accordance with the Council’s Scheme of Financial Management for Schools.

4.2 All of the Council’s bank accounts should be maintained in accordance with the Scheme of Operation approved by the Chief Finance Officer.

4.3 The County Council adopts the key recommendations of CIPFA’s Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.

Accordingly, the Council will create and maintain:

− a treasury management policy statement, stating the policies and objectives of its treasury management activities
− 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 Council will receive reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMPs.

The County Council delegates responsibility for the implementation and monitoring of administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation’s policy statement and TMPs, and CIPFA’s Standard of Professional Practice on Treasury Management.

4.4 The Chief Finance Officer has delegated responsibility for the management of Trust Funds. This covers all types of funds held on behalf of personal clients or charities, whether acting in the capacity of an appointee, a trustee, or a nominated receiver. A record of all such arrangements must be held by relevant Finance Units and all related tax affairs must be dealt with expeditiously on the client’s behalf.

5.0 APPRAISAL OF NEW SCHEMES / PROJECTS

5.1 Any new revenue or capital scheme or project costing more than £160,000 shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:

(a) ongoing revenue impact over life of project;
(b) net present value;
(c) sensitivity to changes in key assumptions;
(d) analysis of risks and impact;
(e) statement of how project will be managed and reviewed;
(f) statement that project is affordable and finance available.

The appraisal is to be approved by the relevant Strategic Finance Manager.

5.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

Project justifications for capital schemes will be prioritised within the framework and assessment process as set out in the Council’s Capital Strategy.

6.0 FINANCIAL CONTROL – CAPITAL

6.1 The inclusion of an item in a Service Block’s approved capital programme shall confer authority on the relevant Executive Director or Service Director (Customer Service and Transformation) to incur that expenditure provided that:

(a) the scheme has been appraised in accordance with Regulation 5.
(b) where the scheme is to be financed from earmarked funds from Government, approval to capital expenditure has been obtained from the relevant Government department;
(c) the method of financing has been determined;
(d) budget provision exists to meet any revenue consequences;
(e) property transactions do not exceed the values set out in the Scheme of Delegation to Officers (Part 3D, see A5, A6 – which is contained within Part 3 – Responsibility of Functions).

6.2 Budgets that trade have no power to borrow externally to meet capital expenditure requirements. Any expenditure arising must be financed directly from revenue or from accumulated reserves.

6.3 The Chief Finance Officer has delegated power to sanction any virement between capital schemes, provided that the amount does not exceed a fixed sum (as detailed in appendix I).

6.4 Only in exceptional circumstances and where the proposals are incapable of being met within the existing provision, may supplementary capital estimates be sought from the General Purposes Committee. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Service Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer to the Council’s Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee.
7.0 **FINANCIAL CONTROL – REVENUE**

7.1 The inclusion of an item in a Service Block’s approved revenue estimates for the financial year shall confer authority to incur that expenditure.

7.2 No expenditure may be incurred that cannot be met from the amount provided under the relevant head of the approved estimate, or by an approved virement, without the approval of the General Purposes Committee. This regulation applies equally to any proposed reduction in income.

7.3 Supplementary estimates require the prior approval of the General Purposes Committee. These may only be requested in exceptional circumstances where the proposals are incapable of being absorbed within approved financial provision or deferred to a later year. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Service Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer to the Council’s Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee.

**Virement**

7.4 The overall rules on virement are set out in the *Financial and Contract Procedures Rules* (Part 4.6, which is contained within Part 4 – Rules of Procedure). The Chief Finance Officer has delegated power to sanction any virement between the main revenue budget headings in a Service Block, provided that the amount does not exceed a fixed sum, currently £160,000. Main budget headings are defined as the objective analysis of expenditure incorporated in the published Budget Report for each Service Block.

7.5 Where a virement between heads of expenditure is such as to impose a revenue burden in future financial years, the annual cost of the proposed expenditure shall be financed from within the relevant Service’s/Corporate Directorates’ base budget unless additional finance has been provided in future years.

7.6 The transfer of Directorate-based funds from reserves to revenue must be approved in accordance with the rules for virement as specified in the *Finance Management Arrangements for Services* (section 30.0).

8.0 **TRADING ACTIVITY**

8.1 Services that trade both internally and externally are treated like any other revenue budget, whereby any expenditure incurred must not exceed the funding available i.e. their income. Any overspend at year-end must be absorbed within the relevant Service’s budget block. Any underspend at year-end can be used to offset pressures elsewhere within the relevant Service’s budget block.

8.2 The only distinction with ‘trading units’ is in terms of annual returns and planning purposes where the Service Reporting Code of Practice (SERCOP) guidance is to be followed. A section is defined as a Trading Unit for this purpose where it meets one of the 5 criteria set out in *Appendix C*. 
8.3 At year-end the reporting requirement for Statement of Accounts (SoA) states that any external trading must be reported separately within the Income & Expenditure Account with an appropriate disclosure note. Therefore where a budget trades both internally and externally, the external element needs to be separately identifiable.

8.4 Further guidance for managers whose budget has a significant reliance on external income can be found in Appendix D.

8.5 Budgets that trade and rely solely on their income generation to fund their expenditure are recharged a corporate overhead charge based on the marginal cost of their activity. Appendix E shows a summary of the corporate services for which these budgets are charged for in this way.

8.6 Budgets that trade must not compete for work with other internal providers; they are, however, allowed to compete for external work, subject to the prior approval of the Chief Finance Officer and the LGSS Director of Law, Property and Governance (considerations to be considered before taking on external contracts are detailed in Appendix D). In addition, services that undertake work outside the normal responsibilities of the Council, i.e. for external customers, must inform the Council’s Chief Finance Officer in advance of submitting an offer to carry out such work and must obtain such insurance cover as the Head of Audit and Risk Management prescribes.

8.7 Each budget holder who is responsible for a budget that trades should continually monitor the trading performance of his / her unit and immediately alert the relevant Executive Director or Service Director (Customer Service and Transformation) and the Chief Finance Officer should doubts about the financial performance of the unit emerge. The budget’s financial results, outturn projections, and explanations of significant variances from the original plan are to be reported by Finance to SMT monthly and the General Purposes Committee bi-monthly (or monthly if deemed necessary).

9.0 FEES AND CHARGES

9.1 Financial and Contract Procedure Rules require that all scales and levels of charges must be reviewed annually. All Executive Directors and Service Director (Customer Service and Transformation) shall present a report to their respective service committees on the proposed fees and charges for the next financial year as part of the Business Planning process.

9.2 The Business Planning process will assume that all fees and charges are increased in line with the latest inflation indices, therefore any charges not increased in line with inflation will create a revenue pressure that will need to be absorbed within the cash limit for that service block.

10.0 TRANSFORMATION BIDS
10.1 Transformation bids should be submitted as part of the Business Planning (BP) process, by completing the Investment Proposal Template.

10.2 Additional one-off budget will be made available via the BP process to support innovative projects that underpin service improvements and deliver future efficiencies. The additional budget will be repaid via budget savings to be achieved in subsequent years.

10.3 The objective of transformational bids is to encourage projects across Cambridgeshire County Council that will:

- Improve the cost effectiveness of services
- Provide value for money
- Achieve long-term savings and efficiencies

10.4 Guidance on transformational bids can be found here.

11.0 PARTNERSHIPS

11.1 Before entering into a Partnership the respective manager should consult the Partnership Toolkit. This toolkit aims to improve the governance of any partnership you get involved in.

12.0 DEBT POLICY

Introduction

12.1 The Debt Policy is issued by the Section 151 Officer for Cambridgeshire County Council in accordance with the Council’s Constitution. They are corporate procedures and will be followed by all parties involved in the recovery of monies owed to the County Council.

12.2 Variations and exceptions to this policy can only be approved by the Section 151 Officer. Where leasehold or tenancy agreements prescribe, alternative debt recovery arrangements are in place and are managed by the Property Service Area.

12.3 Departments must use upfront payments in all appropriate circumstances for all services provided before issuing invoices to minimise the potential for debts to occur.

12.4 All invoices issued by departments must be raised in the Oracle Financials System (Oracle ERP) either directly or via an interface feed from a line of business system within a maximum period of 14 days from the date the service commenced / was delivered. Invoice raising should be in accordance with the prescribed procedure ensuring that where appropriate customer purchase order numbers are shown. Once the invoice is recorded in Oracle the credit will be posted to General Ledger (GL). The management information produced from GL will, therefore, reflect the Council’s accounting policy.

12.5 The Section 151 Officer will arrange for the debt to be collected through the LGSS Transactions Collections Team (hereafter referred to as ‘the collections team’). Raising an invoice should lead to payment being received, however the relevant
collections team will chase all unpaid invoices in line with the approved Debt Policy and Collections Process.

**Payment and Credit Terms**

12.6 Payment terms for accounts raised are either immediate or 28 days. If any other payment terms are required these must be presented to the Section 151 Officer, with a business case, to seek agreement prior to the issuance of an invoice.

12.7 If Cambridgeshire County Council have had no dealings with a customer before or if the customer has a record of poor payment then consideration should be given to requesting payment before the goods or service are supplied. A paid invoice can be supplied after the event, if required.

This section will not apply to debts accrued as a result of community care services provided as a result of an Adult Social Care Community Care assessment.

**Invoicing**

12.8 The Oracle Financials Accounts Receivable system contains customer name and address information for raising invoices, however, it is the responsibility of departments to ensure that the information is correct and up to date before raising an invoice.

12.9 If an original invoice over £100 is returned due to an incorrect address the Data Management Team will instigate a customer trace with any costs incurred charged to the originating department.

12.10 If the invoice is under £100 it will be cancelled and the department informed. When a new address is known and confirmed with the Data Management Team a new invoice will need to be raised by the department. Details on Customer set up and maintenance and how to raise an invoice can be found on the LGSS Intranet site.

12.11 Invoices produced by LGSS will not be returned to departments upon printing, nor will attachments be sent out with invoices. The most practical approach is to send correspondence or attachments under separate cover and say that an invoice will follow.

12.12 Departments are advised not to raise official invoices for amounts below £50 as the cost of collection will outweigh the income being collected. In these circumstances departments should collect payment before goods/services are delivered.

12.13 If a debt has arisen as the result of an overpayment to a creditor, the first consideration should be given to deducting monies from further payments due, however if this is not possible then an invoice should be raised without delay.

12.14 Where departments are asked for assistance in identifying unidentified cash they should respond within 10 working days.

12.15 Any unidentified cash, unapplied after six months, will be transferred into central funds. If this is subsequently identified prior to year-end closure, then a transfer to the departmental budget may be effected.
Debt Collection Timetable

12.16 The collection process will commence on or around 14 days after the date upon which an invoice was issued, although telephone calls will be made, subject to available resources, where significant debts are raised. The timetable below may alter depending on the individual circumstances of specific cases and if the customer makes / is in contact with the relevant collections team (or department):

Day 14 – if no payment or contact received the customer is issued with the first letter requesting payment within 7 days.

Day 28 – if no response or payment has been received the customer is issued with the second and final letter requesting payment known as the ‘pre action letter of claim’ stating we will look to commence legal proceedings if payment is not forthcoming within a final period of 10 days.

During the above stages, efforts will be made to contact customers by telephone if the raising department has provided these to the relevant collections team. At all times, the collections team will adopt a fair and reasonable approach towards the customer taking account of their circumstances and ability to pay. Any disputes with customers and / or departments that cannot be resolved by the collections team will be escalated initially to the LGSS Revenues and Assessment Manager for a decision. If agreement cannot be reached then a referral to the LGSS Head of Transactions and Head of Finance Professional will be made whose decisions will be final.

Often the threat of action plus the formal nature of the request is sufficient to at least prompt a response from the customer.

Day 38 - The debt will be assessed using the ‘Y’ strategy (contained within the Collections Process – see 12.30) to determine what options will be taken including if external collection or legal action is viable or whether write off appears to be the only remaining option.

Securing Debt Arrangements

12.17 Any request to pay by instalments must be referred to the collections team who will contact the debtor to obtain details of their income/expenses and offer. The collections team alone will have the delegated powers to accept or reject any offer made. If the offer is not considered reasonable then they will inform the debtor and try to negotiate a better offer, however they may refer the debt for legal action if no better offer is forthcoming.

Debts Referred to External Collection Agents and Legal

12.18 Only debts that have been identified via the ‘Y’ strategy (contained within the Collections Process – see 12.30) as viable will be referred to External Collection Agents or Legal Services to commence action. The collections team will contact the issuing department, if required, for any documentation necessary to complete the submission pack to these Agents and Legal Services.
12.19 Legal proceedings result in the Council incurring additional costs. The Council’s policy is that the legal costs should be included in the claim against the customer. Any legal costs that are not recovered from the customer will be charged back to the department who originated the invoice.

12.20 Any commission costs accrued for recovering debt through the External Collection Agent will be charged back to the department who originated the invoice on a monthly basis.

**Disputes – Invoices Placed ‘On Hold’**

12.21 Where an invoice has been queried and placed on hold the originating department must keep the collections team informed of progress. If the query cannot be answered within the 5 day limit then the originating department must give the relevant collections team an indication of when the query will be settled. The originating department has a maximum of 15 working days from the date of query to resolve the matter.

12.22 The LGSS Collections Manager can decide to cancel any invoice that is on hold where queries are not being progressed as follows:

(a) Debts below £1,000 will be cancelled back to the originating department.

(b) Debts above £1,000 or over will be reported monthly to the LGSS Head of Transactions and Head of Professional Finance for advice / action.

**Cancelling an Invoice**

12.23 Once an invoice has been printed it must not be changed or cancelled. If it is subsequently found to be incorrect a credit note must be raised in Oracle to either cancel the complete invoice or part thereof. These should be generated by the invoice originating department via a request to the LGSS Data Management Team.

12.24 It should be noted that this relates only to those circumstances where the debt, as raised, is incorrect. If cancellation is required in other circumstances the invoice must be written off (see the Write Off section below for further details). Care should be taken in raising invoices to ensure that the need for cancellations is kept to a minimum.

**Write Off**

12.25 An invoice that remains outstanding after Collection Action will be subject to a write off process. Authority to write off the debt rests with the collections team subject to the delegated limits details below.

12.26 Delegation for Write Off:

**Debts over £25,000**

Debts over £25,000 will be reported to the General Purposes Committee. The LGSS Head of Transactions will prepare details of any such debts for the Section 151 Officer to seek authority of the General Purposes Committee to Write Off.

**Debts £5,000 to £25,000**

Each month the LGSS Collections Manager will prepare schedules by department of debt recommended for write off for authorisation by the Section 151 Officer. The schedules will include the reason for requesting a write off and confirmation that the
collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

**Debts £2,000 to £5,000**

Each month the LGSS Collections Manager will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Head of Transactions. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

**Debts £500 to £2,000**

Each month the LGSS Collections Team will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Revenues and Assessment Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

**Debts below £500**

Each month the LGSS Collections Team will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Collections Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

12.27 The Finance Business Partners in each department will be provided a copy of the appropriate schedules for information, of those debts to be written off.

12.28 Write Offs will be charged in accordance with the Write Off Accounting Policy as determined by the Section 151 Officer. The current policy will be to write off back to the original invoice or equivalent codes irrespective of the financial year the invoice was raised in.

12.29 The LGSS Collections Strategy (Process Flow) can found in [appendix F](#).

12.30 The full Debt Policy, including the Collections Process, can be found in the [LGSS Collections Policy](#).
13.0 **AUDIT**

13.1 Under the Scheme of Delegation, the Head of Audit and Risk Management shall:

(a) maintain an adequate and effective internal audit of all the activities of the Council.

(b) have authority to visit all Services/Corporate Directorates, establishments and Trading Units of the Council and have a right of access, at all times, to such documents, other records, computer systems, and Council property as appear to him/her necessary for the purpose of the audit.

(c) be entitled to require from any officer such information and explanation as he/she thinks necessary to satisfy himself/herself on any matter.

13.2 Each Executive Director or Service Director (Customer Service and Transformation) shall bring immediately to the notice of the Head of Audit and Risk Management and/or Chief Finance Officer any suspected or apparent financial irregularity affecting the Council. If the irregularity is confirmed, the Chief Executive shall be advised.

13.3 Internal Audit shall examine arrangements to ensure standards of internal control are adequate.

13.4 Attention is drawn to the statutory role of the Council’s external auditors, which involves the same rights of access and entitlement as those set out for Internal Audit in Regulation 13.1.

14.0 **RISK MANAGEMENT AND INSURANCE**

**Strategy**

14.1 The Head of Audit and Risk Management has delegated powers to establish and maintain a systematic strategy, framework and processes for managing risk. Part of the strategy is to identify the risks facing the organisation and analyse what types of protection are required to manage adverse risks.

14.2 Effecting insurance is one element of that strategy for the limited range of risks, including damage to assets and potential civil liability, which can be underwritten by insurance policies and give a measure of financial protection.

14.3 This strategy does not obviate the need for each Executive Director or Service Director (Customer Service and Transformation) to manage all forms of business and operational risk in connection with the running of their services and activities.

**Insurance Programme**

14.4 The Head of Audit and Risk Management, in consultation with the Chief Finance Officer, has delegated powers on behalf of all services to effect and manage insurance cover for specific risks and to decide what is the most appropriate package of internal (self-funded) and external insurance. This statement must be qualified by noting that School Governing Bodies are able to exercise choice over how they purchase insurance (subject to meeting minimum standards and limits of indemnity laid down by the Council) and are not bound to remain within the centrally arranged insurance policies or self-funded provisions if they wish to effect...
separate arrangements. The County Council’s rights and interests must be named on all insurance policies held, irrespective of who has made the original arrangements.

14.5 For centrally arranged policies, the Head of Audit and Risk Management is responsible for preparing specifications, obtaining quotations, procuring cover, negotiating claims and maintaining the necessary records in line with the insurance strategy and for ensuring that the contracting process is conducted in accordance with the prescribed requirements.

14.6 The Head of Audit and Risk Management or his / her nominee shall make contractual arrangements with specialist advisers, including insurance brokers, financial actuaries, loss adjusters, solicitors and insurance companies as necessary in respect of all insurance matters involving the centrally arranged policies and self-funded arrangements.

14.7 The Head of Audit and Risk Management shall keep a register of all insurance policies held and a full record of what property and risks are covered thereby.

14.8 A brief statement of the main policies taken out by the Council is given below. A Budget Holder must contact LGSS Insurance if he / she thinks additional cover may be required. This will help protect the council from the risk of buying insurances that are unnecessary, too costly, not with the insurers who are appropriate, and avoid duplication of existing insurance arrangements.

Centrally arranged policies are:

(a) Fire and associated risks for all buildings which the Council owns, or for which it has accepted legal responsibility by way of a lease or licence.

(b) All public and employers' liabilities, including libel and slander, professional indemnity, officials’ indemnity and land charges.

(c) Personal accident cover for risk of assault on employees of the County Council and for injury to Council Members and authorised volunteers.

(d) Motor vehicles – comprehensive cover on all County Council vehicles, together with contingent liability cover for use of privately owned vehicles used on official business.

(e) Pecuniary loss (money, fidelity guarantee and cheques indemnity).

(f) Costs of reinstatement and recovery of ICT infrastructure and systems.

The Insurance and Risk Manager should be contacted at insurance@cambridgeshire.gov.uk if further details are required such as the actual policy number, name of the current underwriters or any other information on the scope of cover or policy terms and conditions.

14.9 Enquiries about insurance matters must be channelled through the Insurance and Risk Management Section which can provide all necessary advice.
Record of equipment subject to inspection

14.10 Each Executive Director and Service Director (Customer Service and Transformation) shall maintain suitable systems to record engineering plant and lifting equipment, which is subject to statutory inspection by an insurance company or other approved contractor, and for monitoring that inspection is carried out in the periods prescribed.

Notification of Changes of Risk

14.11 Each Budget Holder shall give prompt notification to the Head of Audit and Risk Management of all new risks, property, vehicles and other assets or contractual obligations which require to be insured and alterations that may affect existing insured risks (including closure of buildings, sale of vehicles or disposals of other insured assets).

14.12 Where any contracts or partnership agreements are under negotiation with external bodies for services to be provided, Budget Holders must ensure that the potential risk exposure is analysed and suitable clauses included to apportion risk appropriately between the contracting parties involved, Advice must be sought on the appropriate levels of indemnity and type of risks to be insured. Some information is provided in The Purchasing Guide. The advice of the LGSS Director of Law, Property and Governance should be sought to ensure that these issues have been addressed correctly before any contract is signed.

14.13 Provision of indemnities which may assume legal liability for the actions of another party must not be accepted without full consultation with the Council’s legal advisers and if accepted must also be notified to the Insurance and Risk Management Section.

Reporting of incidents, losses and potential claims

14.14 Budget Holders must make a written report of any event, loss, liability or damage that may result in an insurance claim and give full and timely assistance with the conduct of any investigation that may follow. Advice must be sought immediately from the Insurance Section if there is a suspicion that a civil legal action is in prospect.

14.15 Civil procedure rules and protocols must be strictly adhered to in order to avoid cost penalties or unnecessary litigation expenses. Employees and other persons must not attempt to negotiate a settlement, give interviews, make statements or offer to pay compensation in any way that may prejudice any civil legal action that may be brought against the Council subsequently.

14.16 The same incident may lead to an investigation for an alleged breach of or failure to comply with some part of the Health and Safety at Work Act and the regulations made hereunder.

Use of motor vehicles

14.17 All workers using their own private vehicles on behalf of the Council shall maintain appropriate insurance cover for business use.

14.18 The Council has access to a stock of pool cars, which are available to all employees. Please refer to the Pool Car guidance notes for further information.
15.0 INTERNAL CONTROLS / ASSURANCE AND POWERS

15.1 Under Article 11 of the Constitution (contained within Part 2 – Articles of the Constitution) the LGSS Director of Law, Property and Governance is designated as the ‘Monitoring Officer’ whose functions include:

(a) Ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.
(b) Advising whether decisions are within budget and policy framework.
(c) Provide advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

16.0 PURCHASING OF GOODS / WORKS / SERVICES IN E-BUSINESS SUITE

Introduction

16.1 The County Council is a major purchaser of goods, works and services. It is at the point of ordering that the County Council is committing expenditure. Therefore the relevant Budget Holder must ensure that:

(a) all orders are completed properly and appropriately authorised
(b) the extent of the commitment is known
(c) budgets are not exceeded without appropriate authority
(d) only goods / works / services as ordered and received are receipted on the e-Business Suite System
(e) purchases are lawful (i.e. within the powers of the County Council)
(f) purchases are only made for County Council purposes - workers are not permitted to use County Council orders for private purchases.
(g) value for money is obtained, with Contract Procedure Rules being strictly adhered to.

Note that the financial regulations 16.2 to 16.22 set out below apply to all employees of the County Council.

Where an agency / partnership arrangement exists such that there is an approved business case to allow a third party to exercise financial control on behalf of the County Council, the same principles detailed here apply, however a series of limitations as to their permitted responsibilities must be applied, and can be found here.

All proposals for such arrangements must be agreed by the Chief Finance Officer, and advice sought from Internal Audit and the Legal Section, as appropriate.

Overview of the Business Rules Underlying the Use of e-Business Suite

16.2 The e-Business Suite allows for the electronic processing and authorisation of transactions relating to the purchase of goods / works / services.

16.3 The e-Business Suite also enables a set of control rules to enforce separation of duties in the purchasing of goods/works/services.
16.4 For purchasing goods / work / services in e-Business Suite, three roles are required:
   (a) Requisitioner
   (b) Approver
   (c) Goods Receipt

16.5 The above roles are set in e-Business Suite through the configuration of user profiles and responsibilities, linked to each user’s personal identification (ID). To provide separation of duties within the e-Business Suite system, the profiles and responsibilities are set such that the Requisitioner cannot also be the Approver.

16.6 To ensure the appropriate authorisation of goods / works / services and that an adequate separation of duties is maintained, workers must not in any circumstances share their e-Business Suite password, nor give other users the opportunity to log on under their ID.

16.7 The e-Business Suite operates such that if the goods / work / services recorded as received agree to those ordered per e-Business Suite, and the invoice subsequently matches the details already recorded on e-Business Suite, the invoice will be processed for payment, without further pre-payment check and authorisation by the Budget Holder.

16.8 Therefore, the Budget Holder must ensure that an e-Business Suite purchase requisition is completed and authorised for all purchases made (except where a Government Procurement Card is being used and in specific areas approved by the Chief Finance Officer), and the receipt of those goods / works / services must be recorded on e-Business Suite.

16.9 Once a purchase requisition has been approved, the transaction is processed as an e-Business Suite order, and the order issued to the supplier. The Budget Holder is not required to print the order and add a manual signature.

**Approval Limits**

16.10 Maximum authorisation limits for employees are linked to the individual’s job role, rather than the individual. This ensures that users do not carry access to new jobs.

16.11 The maximum authorisation limits are set across the following five bands:

- Band 1 (unlimited) – Chief Executive, Executive Directors, Service Director (Customer Service and Transformation) and Chief Finance Officer.
- Band 2 (up to £500k) – HS3 to Director C
- Band 3 (up to £150k) – MB4 to HS2
- Band 4 (up to £50k) – MB1 to MB3
- Band 5 (up to £5k) – from Scale 5 to SO2
Raising Orders For Goods / Work / Services

16.12 Approved County Council suppliers must be used for all purchases made. Where no approved supplier can provide the goods / works / services, the Budget Holder must submit a formal application to the Procure to Pay for approval, before the goods / works / services are ordered.

16.13 The County Council’s Contract Procedure Rules must be followed in respect of all purchases. The Council has decided that all contracts must be in writing or placed using e-Business Suite or a Government Procurement Card.

16.14 Oral (telephone) orders and orders made over the internet must be made only with the prior knowledge and approval of the Budget Holder. The order must be confirmed immediately afterwards by raising an official e-Business Suite order clearly annotated “Confirmatory Order” in the product description box. (Note that the latter is only possible for non-catalogue orders, i.e. it is not possible for orders from an e-Business Suite catalogue such as ESPO). Confirmation orders are not necessary if a Government Procurement Card has been used.

16.15 The Budget Holder must authorise all orders raised, unless he / she has reassigned authority on e-Business Suite under delegated authority.

Receipting of Goods / Work / Services

16.16 Goods / works / services when received must be certified as such on e-Business Suite.

16.17 Wherever possible, the officer recorded in the system as certifying the receipt of the services should be the person who actually verified them.

16.18 However, in all cases the officer recorded in the system as having receipted the goods / works / services is responsible for ensuring that they are receipted on e-Business Suite only where they have been physically received or carried out and examined as to quantity and quality, as ordered. Whenever practical the receipting officer should not rely on verbal assurances from another officer.

Variations between Orders and Goods / Works / Services Received

16.19 Where the goods / works / services received vary to that originally ordered, and this exceeds the agreed tolerance threshold, the Budget Holder must authorise the additional amount before the invoice can be paid. The Budget Holder must report any difference to Procure to Pay, so that the order can be varied and approval to the variation can be sought from the Budget Holder.

Payment of Accounts

16.20 The County Council is liable for payment of interest where invoices are not paid within 30 days of receipt or per the supplier’s payment terms.

16.21 To reduce the delays in the processing and payment of invoices, all invoices received in respect of orders raised in e-Business Suite will be date-stamped and registered by Procure to Pay.
16.22 Where the invoiced amount does not match the order / goods receipted, allowing for agreed tolerances, the Requisitioner will be notified, and the Budget Holder must approve the variation.

16.23 Where an invoice relating to an e-Business Suite order is received by a department in error, the invoice must be date stamped before being forwarded promptly to Procure to Pay for processing.

16.24 The requirements of the Sub Contractors – Construction Industry Tax Scheme must be complied with.

17.0 PERSONAL EMPLOYEE EXPENSES

17.1 The County Council has a responsibility to provide HMRC with details of all benefits in kind provided or expenses reimbursed to its employees, and must ensure that National Insurance contributions are collected on all qualifying expenditure.

17.2 The Council uses a Mileage and Expenses E-Form, which allows employees to submit their expense claims electronically for their line manager’s approval.

17.3 Employees need to submit their mileage and expenses e-form claims on a monthly basis. Employees must submit their expenses claim within a 2 month timeframe from the claim date. An employee must allow enough time for his/her manager to approve the e-form before the submission deadline.

17.4 The Budget Holder is responsible for:

(a) Ensuring that payments are only made to bona fide employees who are eligible to receive payments at that time according to current rules laid down by the County Council.

(b) Ensuring that payments are in accordance with current rates.

(c) Making prompt, complete and accurate returns (P11D) to Employee Benefits in LGSS, of information needed for returns to HMRC such as cars provided to employees outside the normal lease car scheme, telephones, living accommodation etc., and any other possible taxable benefits.

17.5 All claims for reimbursement of expenditure by individuals must be processed via the e-form system and not via imprest, petty cash or bank accounts.

17.6 The approving manager needs to see the receipts before approving any e-form claim. All receipts need to be stored locally, by month (these will be required in the event of an HMRC Inspection). All receipts need to be stored for 6 years. If a manager leaves they must ensure that stored receipts are handed over to the new manager.

17.7 Further guidance can be found here.
18.0 **PAYROLL**

18.1 It is the legal duty of the LGSS Director of People, Transformation and Transactions to make proper arrangements for the operation of PAYE and National Insurance procedures for all employees, including relief, fixed term and part time employees.

18.2 The Council’s payroll service is responsible for processing temporary data, administration and validation of the payroll run, production of payslips, P60’s, cheques, BACS and production of a costing file for interface to the general ledger. Payroll also supply information to various statutory bodies including HMRC and act as the first point of contact in dealing with payroll queries.

18.3 The County Council has a Payroll Services Manager to monitor payroll and work with the HR, Pensions and Finance Units to ensure high quality service delivery.

18.4 The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget Holders should refer to the detailed guidance available in the HR Web Pages on the Intranet (Contracts of Employment – **Checklist Worker’s Legal Status**). The Payroll Services Manager can advise in cases of doubt.

18.5 It is the Budget Holder’s responsibility to ensure that: -

(a) Payments are correct, authorised and accounted for properly.

(b) Payments are made only to bona-fide employees of the Authority and to valid beneficiaries of the Pension and Compensation Schemes.

(c) Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them.

(d) Payments are lawful (i.e. within the powers of the County Council).

(e) Payments are within budget.

(f) Changes in terms of employment and requests for payment are notified to HR or Payroll (as applicable) at the due time in accordance with the payrun schedule.

18.6 The Budget Holder must ensure that the appointment of all employees is in accordance with the policies of the Council, at the approved grades and rates of pay (see **Recruitment**).

18.7 No officer may authorise any notification to HR or Payroll concerning amendments to his / her own pay.

18.8 The Council’s HR service must be notified as soon as possible, using either the **Employee Change**, **Employee Leaver** or **Establishment** form, of all matters affecting payroll payments, such as appointments, dismissals, resignations and retirements, or any other change of circumstances affecting remuneration.

18.9 The Budget Holder must ensure that Payroll is forwarded correctly completed timesheets / claims for payment of at the due time. Particular attention should be paid to entering the correct employee assignment number to ensure not only that the correct record is paid (and costed accurately) but that payment is statutory compliant in respect of Income Tax and National Insurance deductions.
18.10 All documents sent to Payroll should identify clearly to whom they relate, i.e. by showing the name, payroll reference number and/or job title and place of work.

18.11 The Council will seek to avoid under/over payment of salary. However, where this may occur please refer to the Payroll Corrections Policy.

19.0 GRANTS

19.1 Grant claim forms should be completed in accordance with claim instructions.

19.2 Claims should be signed in accordance with claim instructions. However, the authority of the Chief Finance Officer to sign grant claims is delegated to the Strategic Finance Managers.

19.3 The Head of Audit and Risk Management should be notified in advance of any grant claim being submitted where there is a requirement for an audit of the expenditure.

19.4 Budget Holders should advise their relevant Finance Team of any competitive grant applications submitted.

19.5 On receiving notification from the funding provider that an application has been successful, the Budget Holder must notify their Finance Team of the forthcoming income.

19.6 It is the Budget Holder’s responsibility to ensure that a specific budget code is assigned to the income.

19.7 The Budget Holder must also check that the amount awarded matches the amount that was applied for by referring to the copy of the application that has been retained on file by the budget holder.

20.0 INCOME

20.1 It is the Budget Holder’s responsibility to ensure that procedures for the collection or invoicing of income due are operating such that:

(a) All income due is identified and accounted for properly.

(b) Invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided. Invoices should be raised using e-Business Suite, or where e-Business Suite is not available, the Revenues and Benefits team must be notified.

(c) All monies received are brought into account promptly, correctly, accurately and completely.

(d) All income collected is held securely, banked promptly and intact.

(e) VAT is accounted for correctly. (For further information, see VAT for Budget Holders.

(f) Instruction to cancel an invoice must be approved by the budget holder and notified to the Revenues Team.
(g) Invoice write-offs must follow the procedures in 12.25 - 12.28 of the Scheme of Financial Management.

20.2 Employees should be aware of the Council’s Anti-Money Laundering Policy. This applies particularly to employees regularly handling cash. The Money Laundering Reporting Officer should be contacted in accordance with this Policy if a money-laundering activity is known or suspected. The County Council will not accept settlement in cash of any transaction above the value of €15,000 equivalent (approximately £10,000).

20.3 Official County Council documentation for receipting and raising invoices must be used. Corporate Directorates is responsible for the ordering, issue and control of all receipt and invoice forms, unless alternative arrangements have been agreed with the Chief Finance Officer.

20.4 All monies received must be receipted on an official County Council receipt book or otherwise adequately recorded at the time of receipt.

20.5 For remittances where receipts are not always issued (e.g. settlement of debtors invoices) an accounting record (such as a remittance list) must be made immediately on receipt.

20.6 Where the Unit has access to the e-Business Suite, all income received must be recorded on the e-Business Suite using the lodgement facility. Where the e-Business Suite is not available, the Revenues and Collections team must be notified.

20.7 Each Officer responsible for paying money into a bank account must enter onto the copy paying-in slip sufficient information to identify each transaction including the amount of the cheque and a reference (such as receipt number or debtor name) to connect the cheque with the service provided. On the back of each cheque the Officer should enter sufficient detail to identify the Department or establishment.

20.8 On handing cash over to another person, all employees should ensure that they receive a suitable formal acknowledgement such as a receipt.

20.9 To ensure adequate separation of duties within the cash collection and banking process, different people should undertake the following activities:

(a) collecting or receiving money;
(b) recording and banking receipts;
(c) reviewing and reconciling receipts to cash banked; this must be a different person from the persons carrying out (a) and (b);
(d) authorisation of debt write offs; this must be a different person from the persons carrying out (a) and (b);
(e) custody of saleable stock and materials.

21.0 CASH SECURITY

21.1 All Officers involved in cash handling have a duty to ensure that practice and procedures properly safeguard cash holdings in their possession, but not at any risk to their own person.
21.2 Budget Holders must ensure that written procedures exist covering the aspects of cash security covered below, and what action workers are to take in emergencies, e.g. attempted theft; fire alarms etc.

21.3 Budget Holders must ensure that adequate arrangements are made to safeguard monies pending banking. Such arrangements include:

(a) Use of locked cashboxes held in a safe or locked drawer or cabinet.
(b) Restricted access to the keys for the above.
(c) Locking cash away when unattended.
(d) Not counting cash or accessing the safe etc. in view of visitors and members of the public.
(e) Where large amounts are collected, considering the physical security of the cashier’s office (e.g. access arrangements to the cashiers area; screens; alarm systems etc).

21.4 Budget Holders must ensure that banking arrangements minimise monies held, do not exceed insurance levels and minimise the risk to staff undertaking the bankings. Such arrangements include:

(a) Measures to minimise actual cash (e.g. use of cheques and debit / credit cards).
(b) Regular bankings, at least weekly, and daily whenever cash exceeds £5,000.
(c) Use of night safe facilities when banks are not open.
(d) Varying the timing and route of visits to the bank, and the staff undertaking the bankings.
(e) Not utilising conspicuous bags etc. to transport monies.
(f) Use of security services for cash sums in excess of £5,000.
(g) Budget Holders must not allow levels of cash held to exceed the maximum permitted limits (£5,000) set under the insurance policy for monies held in a safe during working hours and overnight.

22.0 IMPREST ACCOUNTS

22.1 Imprest Bank Accounts are used for items of expenditure for which it is not practical/cost-effective to pay through the normal payments system. Generally, such payments will be small in value, or one-off purchases. Payments to regular suppliers should be made through e-Business Suite or local Bank Accounts (Schools only). The Council requires that Imprest Accounts should be held at an absolute minimum. Government Procurement Cards (see Financial Regulation 23) must be used where an establishment regularly purchases individual items with a value of less than £50.

22.2 The Budget Holder (account holder) is responsible for ensuring that:

(a) Imprest cash and chequebooks are safeguarded from theft and misuse, that access is restricted, and that they are locked away when not in use.
(b) Expenditure incurred through Imprest accounts is bona-fide, lawful and in accordance with the requirements of the service.
(c) Expenditure is within budget limits.

(d) There are adequate procedural notes specifying the respective responsibilities of staff involved in the operation of the Imprest Account.

The Payables & Systems Data Management Team, within LGSS, will monitor the use of Imprest Accounts.

22.3 The opening of Imprest Accounts must be authorised in accordance with the Scheme of Operation approved by the Chief Finance Officer. The Payables & Systems Data Management Team must be notified of any wish to close, amend or transfer an Imprest Account.

Inappropriate Expenditure

22.4 The following expenditure must not be made through Imprest Accounts:

(a) Payment of salaries or wages to employees or payments which could be considered as such by HMRC e.g. honoraria.

(b) Payments to contractors in the Construction Industry (for more information, see Subcontractors – Construction Industry Tax Deduction Scheme.

(c) Payment of any expenses to County Council employees.

(d) Payment for items which can be acquired using a Government Procurement Card (see GPC User Guide).

(e) Payment of cash to ‘casual’ workers or young people.

(f) Payments or rewards to employees that are unacceptable e.g. paying for an employee’s retirement do.

Supporting Documentation

22.5 Claims must be submitted and approved via the Internet Procurement system. They should be submitted sufficiently regularly to ensure the account does not become overdrawn (normally at least monthly).

22.6 Claims must be supported by adequate documentation to support the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:

(a) The reason for / details of the expenditure

(b) Date expenditure was incurred

(c) Amount of expenditure

(d) Signature of person incurring the expenditure.

(e) Where expenditure incurred is large (over £30), a second member of staff must sign the supporting documentation.

22.7 Wherever possible the supporting documentation must be a VAT invoice / receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.
Separation of Duties

22.8 There must be a separation of duties between the persons:
   (a) Operating the Imprest and preparing the claim and reconciliation statement
       (signing the “Prepared By” statement)
   (b) Signing the certification statement on the claim

22.9 The person operating the Imprest and preparing the claim and reconciliation must not be a cheque signatory.

22.10 The person signing the claim certification statement is responsible for:
   (a) Checking that the documentation supporting the claim is complete and satisfactory.
   (b) Checking that the claim and reconciliation statement is correct both in principle and arithmetically.
   (c) Physically checking the figures in the reconciliation statement, e.g. verify the accuracy of the cheques outstanding figure and the bank balance.
   (d) Counting cash in hand, and ensuring it agrees to the amount entered on the claim.

22.11 Reimbursement of claims will normally be made direct to the Bank, the amount being notified to the Account Holder. No other monies are to be paid into the imprest account.

Imprest Levels

22.12 The Imprest Account must never go overdrawn. Any overdrawn accounts will be immediately referred to the Budget Holder, who must take the necessary remedial action. Government Procurement Cards should be used to ensure expenditure does not exceed Imprest levels.

22.13 Imprest Account levels should be monitored to ensure that they continue to provide sufficient funds to cover approximately 8 weeks average Imprest expenditure. Services/Corporate Directorates should specify procedures for approving Imprest levels. Temporary increases can be obtained to cover anticipated periods of exceptional expenditure.

22.14 Further guidance can be found here.

23.0 GOVERNMENT PROCUREMENT CARDS

23.1 Government Procurement Cards are to be used for items of expenditure for which it is not practical / cost-effective to pay through the e-Business Suite system. Generally, such payments will be under £50, or one-off purchases, or where it is inefficient to raise an order and pay an invoice (e.g. conference fees, books, subscriptions, rail travel).

23.2 Each Government Procurement Card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this Regulation.

23.3 The Budget Holder is responsible for ensuring that all staff assigned a Government Procurement Card are operating procedures such that
(a) Cards are safeguarded from theft and misuse.
(b) Expenditure incurred through the use of Government Procurement Cards is bona-fide, lawful and in accordance with the requirements of the service.
(c) Expenditure is within budget limits.

23.4 All cardholders must use their Government Procurement Card in accordance with the requirements laid down in the GPC User Guide. The Procure to Pay team will monitor the use of Government Procurement Cards to ensure that the requirements are adhered to.

23.5 The allocation of Government Procurement Cards must be authorised by the Budget Holder and sanctioned by the Head of Procure to Pay. Transaction limits and monthly credit limits for each card must be approved by the Procure to Pay Manager.

Supporting Documentation

23.6 A transaction log must be maintained by all cardholders.

23.7 The Budget Holder is responsible for checking the transaction logs to the statement and authorising that the payments are within budget and lawful.

23.8 All expenditure must be supported by adequate documentation to substantiate the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:
   (a) The reason for and details of the expenditure
   (b) Date expenditure was incurred
   (c) Amount of expenditure

23.9 Wherever possible the supporting documentation should be a VAT invoice/receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

24.0 STOCKS AND STORES

24.1 The County Council holds stocks and stores of some items needed on a day-to-day basis.
   (a) The Budget Holder is responsible for ensuring that adequate procedures and financial controls are in place to ensure the appropriate use of these assets, such that
   (b) Records and procedures are sufficient to identify transactions and the volume and value of all usable stocks / stores held.
   (c) Stocks and stores are properly secured.
   (d) Best value is obtained in the provision of stocks and stores
Stocks/Stores Records

24.2 The minimum stock records that must be maintained (whether manual or computerised) are:-

i. Stock Item No. (if applicable)  
ii. Stock description

iii. Issues – Date and Quantity  
iv. Details of who the stock issued by

v. Details of who the stock issued to  
vi. Receipts – Date and Quantity

vii. Returns – Date and Quantity  
viii. Recommended order quantities to replenish stocks

ix. Orders outstanding

24.3 The receipt and issue of all stocks and stores should be adequately authorised and recorded promptly.

24.4 Records should value stocks / stores following the Council’s Accounting Policy, which requires that stocks be valued at the lower of cost or net realisable value.

Security

24.5 Stocks and stores (and stores records) should be held securely, properly insured and access should be restricted to authorised staff.

Stock Checks

24.6 A systematic approach to stock checking must be taken, including completing an independent physical count of stocks at least once a year. During the year, storekeepers should check stocks held to stock records on a regular basis. Results of stock checks and records of all adjustments should be maintained for inspection by Internal Audit.

24.7 Where Stock Accounts are maintained in e-Business Suite, a Stock Certificate must be completed at the end of each financial year (see Appendix H) and returned to the appropriate Finance Team.

Authorisation and Approval

24.8 Orders should be completed in accordance with the Financial Regulation on the purchasing of goods / works / services.

24.9 Separate people should carry out the three elements of stores management, i.e.:

(a) authorisation (of orders to replenish stocks, write offs, or stock usage)

(b) custody of stocks/stores and record keeping

(c) checking stocks to records

24.10 Where, as a result of a stock check, a deficiency is identified, amounts of up to £5,000 may be written off by the Chief Finance Officer. Where the adjustment is greater than £5,000 it must be approved by the General Purposes Committee in accordance with the Constitution. Full records of all adjustments must be retained for audit inspection.
Best Value

24.11 In general, stocks / stores should be maintained at minimum levels consistent with operational requirements.

24.12 Order quantities should be calculated to obtain economies in purchasing consistent with minimising investments in stocks as in 25.11

24.13 Where stocks have a limited shelf life or are liable to obsolescence, stores should be used on a first in first out basis.

24.14 Disposal of surplus or obsolete stocks / stores must be undertaken in accordance with the County Council’s Contract Procedure Rules.

24.15 Indicators of stores performance must be kept to provide information on effective stock management:

(a) Value of stock by type of stock and total value
(b) Results of physical counts
(c) Surpluses and deficiencies between physical and recorded stock balances
(d) Out of stock situations
(e) Stock turnover ratios
(f) Excessive and / or slow moving stocks
(g) Items written off and the reasons for write-off
(h) Disposals of equipment
(i) Frauds, theft discovering, and attempted security violations

25.0 SECURITY OF ASSETS

25.1 This Regulation applies to all assets (owned or leased), which cost more than £500 and to all portable and attractive items owned by the Authority.

25.2 Budget Holders are responsible for ensuring that:

25.3 Proper security is maintained at all times for all buildings, furniture, plant, equipment, vehicles, stores, stocks, cash etc. under their control. They should also aim to achieve maximum utilisation of such assets in the provision of services.

25.4 Appropriate inventory records are maintained, in accordance with the instructions in Appendix G.

25.5 Surplus or obsolete materials, stores or equipment are disposed of in accordance with the County Council’s Contract Procedure Rules.

25.6 Inventory records should ordinarily be maintained using the standard County Council Inventory Book, obtainable from Facilities Management Section within Corporate Directorates. Any alternative method of recording inventories must be approved by Internal Audit.
25.7 Registers of key holders for buildings, safes etc. should be maintained. Keys should be issued to as few people as possible.

25.8 The Chief Finance Officer shall maintain a register of all properties held by the Authority, showing the purpose for which the property is held, the location, extent and plan reference, purchase details and the nature of the interest.

25.9 The LGSS Director of Law, Property and Governance shall arrange for the safe custody of title deeds in respect of land and properties.

26.0 INFORMATION SYSTEMS SECURITY

26.1 The County Council’s Information Systems Security Policy must be followed.

27.0 FRAUD AND CORRUPTION

27.1 The County Council is committed to the elimination of fraud and corruption and is determined to protect itself from such unlawful activities, whether they are attempted from within or by an outside individual, group or organisation. The County Council’s Anti Fraud and Corruption Policy must be followed.

28.0 WHISTLEBLOWING

28.1 The County Council is committed to the highest possible standard of operation, probity and accountability, and recognises that its workers are often the first to realise that there may be something wrong within the Council. Please follow the Whistleblowing Procedure, rather than ignore the concern.

29.0 AUDIT REPORTING AND ESCALATION PROTOCOL

29.1 Audit Managers are responsible for ensuring that draft audit reports are issued within a maximum of 4 weeks of completion of the audit fieldwork. Recipients of audit reports are responsible for responding in writing to the factual accuracy of the draft report and providing a satisfactory response to recommendations within 4 weeks of issue. Reminders to draft reports are issued after 4 weeks. Final audit reports will be issued incorporating the management response within 2 weeks of receipt. For expediency, email is the preferred form of communication.

29.2 Where material recommendations are not accepted or no response is received within the timeframes specified, the Audit Manager will discuss with the client and, if still no acceptance or response, will report to the relevant Director.

29.3 If a satisfactory response is not received after referral at 30.2 above, the Audit Manager reports to the Head of Audit and Risk Management who decides on further action. (This may involve reporting to the Chief Finance Officer with recommendations for further action).

29.4 Where responses to draft reports have not been received within 2 months, this will be reported to the Audit and Accounts Committee.
29.5 Timescales will be accelerated where there is significant risk of material loss or error or where particularly sensitive or contentious issues are involved.

29.6 Audit Managers are responsible for bringing to the attention of the Head of Audit and Risk Management, significant audit findings and sensitive or contentious issues.

29.7 The Head of Audit and Risk Management briefs the Chief Finance Officer monthly on audit issues and findings. The Head of Audit and Risk Management is responsible for deciding on those issues sufficiently important to bring to the attention of the Chief Finance Officer between these meetings.

29.8 The Head of Audit and Risk Management is responsible for identifying and reporting major issues to the Chief Finance Officer and appropriate Corporate Leadership Team members.

29.9 A periodic ‘audit issues’ report is presented to the Audit and Accounts Committee. Between meetings of the Committee the Head of Audit and Risk Management is responsible for reporting major issues to the Chairman of the Committee.

29.10 Follow-up audits have been introduced to ensure proper implementation of audit recommendations where major weaknesses in systems have been identified. Progress on the implementation of recommendations is reported periodically to the Audit and Accounts Committee.

30.0 FINANCE MANAGEMENT ARRANGEMENT FOR SERVICES

30.1 SERVICE MANAGEMENT TEAMS

30.1.1 Collectively, Service Management Teams have a responsibility to ensure the right climate for financial management to meet their objectives. A crucial element of this is striking a balance between keeping control of the Office’s overall position whilst giving individual managers the responsibility and managerial freedom to take decisions themselves.

30.1.2 Service Management Teams need to recognise that all Directorates within the Service make a vital contribution to the achievement of the Service Plan and key objectives. In determining annual budget cash limits, and allocating either budget cuts or new resources, the Service Management Team will seek to ensure, within the context of the political decision making process, a fair distribution of resources between Directorates. The framework within which this principle of budget allocation will apply is the Business Planning (BP) process.

30.1.3 Service Management Teams will receive a monthly Finance & Performance Report from their Strategic Finance Manager throughout the year (except for April) setting out the latest position and including (from May) an updated outturn projection for the Service. This will be based on the information from the e-Business Suite system as adjusted for any additional information available. It is a Service Management Team responsibility to monitor spending against the cash limits approved by Full Council. Other management teams throughout the Service should also consider such reports on a regular basis.
30.1.4 Each Service shall, at all times, endeavour to secure best value for money and shall:

a) establish, wherever possible, cost targets and performance measures for its various services and functions;

b) establish sound arrangements for the planning, appraisal, authorisation and control of its resources and ensure that these are working properly in order to achieve economy, efficiency, and effectiveness in its operations; and

c) establish arrangements to achieve and report efficiency savings as required by the Council.

30.2 BUDGET REVIEWERS

30.2.1 Individually, members of the Service Management Team, and other line managers, will act as Budget Reviewers for their own areas of responsibility. As the line manager of Budget Holders, this reviewing role involves:

a) Monitoring Budget Holders’ management of budgets and delegation arrangements through regular supervision, periodic managerial (team) meetings and the annual appraisal system.

b) Promotion of budget holder skills and abilities in financial management in order to reduce financial risk, in accordance with the Financial Training Plan.

c) Communication to their staff of financial decisions taken at the Service Management Team.

d) Agreeing with the Budget Holder any significant remedial action required to keep within budget, and to meet corporate targets in relation to prompt payment of invoices and debt collection.

e) Reviewing debt management protocols and criteria.

f) Authorising virement between their Budget Holders, on the e-Business Suite, in accordance with the appendix I, to ensure, collectively, expenditure is kept within target, and taking advice from the Capital Accountant in relation to virements of capital between programme areas.

g) Reporting to Service Management Team, when the Strategic Finance Manager presents monthly finance & performance information, any significant action taken or required to keep on budget. Where, overall, a major budgetary problem is forecast, the Budget Reviewer must identify and report on options to bring expenditure back within budget.

h) Ensure that Council targets relating to required efficiency savings are being achieved and reported.
30.3 BUDGET HOLDERS

30.3.1 Financial regulations operate on the principle that every budget head has one (and only one) Budget Holder.

30.3.2 The Budget Holder’s role is to:

a) Set the budget level of individual expenditure/income heads within the cash-limit allocated, using the e-Business Suite budgeting system, in accordance with instructions issued by LGSS Finance.

b) Authorise orders for expenditure to be incurred, and arrange for income to be collected, against budgets held.

c) Control budgets within the overall total allocated to them.

d) Ensure that financial administration (including any records not kept on e-Business Suite) in connection with budgetary responsibilities is carried out efficiently in accordance with financial regulations, consistent with meeting corporate targets set for prompt payment of invoices and debt collection.

e) Respond to the Debt Management referrals within the timescales set out in the Debt Management Escalation Protocol (appendix F).

f) Develop personal and team skills in financial management and administration.

g) Approve virement within their budget responsibility, as allowed by these regulations.

h) Update monthly outturn forecasts on a regular basis, on e-Business Suite, in accordance with timetables, in conjunction as necessary with their financial adviser, and alert their Budget Reviewer to significant budgetary problems.

i) Ensure correct profiles are used on the e-Business Suite, to aid budgetary control.

j) Respond to Internal Audit reports on areas specific to their responsibility, within timescales agreed with the Head of Audit and Risk Management.

k) Identify and report to their Budget Reviewer, efficiency savings made.

l) Safeguard accounting documentation held to prevent loss, destruction or unauthorised alteration. Data maintained on computer must be physically and logistically protected and regularly backed-up to ensure that data can, if necessary, be recreated within a reasonable working period.
30.3.3 The Budget Holder is responsible for:

   a) Positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

   b) Understanding and ensuring compliance with this Scheme of Financial Management.

   c) Complying with Service variations to the Finance Management Arrangements for Services.

   d) Timely implementation of agreed audit recommendations.

   e) The introduction and maintenance of adequate and cost effective systems of internal control within their area of responsibility.

   f) Initiating exception reports, where necessary, for the Strategic Finance Manager and / or Head of Audit and Risk Management.

   g) Reporting any potential overspending or underspending to their line manager in a timely manner.

   h) Training and developing themselves and their staff in relation to financial competencies in line with the Financial Training Plan.

30.4 Delegation of Financial Responsibility

30.4.1 Budget Holders may delegate further the processing of some of their budget-holding responsibilities, including the reassigned authority to authorise e-Business Suite orders under delegated authority, to nominated staff subject to approval by their Strategic Finance Manager. Application for such approval should be made, setting out which budgets are involved and to whom delegation is proposed.

30.4.2 Budget Holders must ensure that these delegated arrangements are clearly documented and communicated to staff concerned.

30.4.3 In any case, the formal ultimate responsibility for managing budgets rests with the designated Budget Holder. They must ensure that suitable controls and appropriate financial administration are in place for them to fulfil their responsibilities.

30.4.4 Where Budget Holders delegate some responsibilities, they themselves are still accountable to their Budget Reviewer and must ensure that, through supervision and management team meetings, they are monitoring the budgetary situation.
30.5 **LGSS FINANCE**

30.5.1 LGSS Finance will provide information, support and advice to all Budget Holders, Budget Reviewers and other staff/managers to assist them in their financial responsibilities. Service Level Agreements with Budget Holders may be put in place to provide additional clarification of the role of Finance. These arrangements may take into account risk analysis of the area of budget activity and the level of expertise and support available to each Budget Holder.

30.5.2 The e-Business Suite system is the definitive record of financial transactions, supported by systems that feed into / interface with e-Business Suite, e.g. CRIP. Any local records used for budget management purposes should be reconciled by Budget Holders back to e-Business Suite.

30.5.3 As well as supporting Services, Finance will carry out an enforcement role in ensuring that Budget Holders adhere to this Scheme of Financial Management and any other corporate requirements. Finance must also provide information for overall corporate reports on the annual budget, in-year budget monitoring, and the final outturn.

30.5.4 Each Budget Holder will have a financial adviser allocated to them to act as a first point of contact in Finance and to provide the support required for the day-to-day management of budgets.

30.5.5 Customer feedback on the effectiveness of the Finance Section role will be sought. Finance must ensure that the Financial Training Plan and Budget Holder competencies are implemented.

30.6 **BUDGET SETTING**

30.6.1 The budget setting process is critical to successful financial management and, in strategic terms, will flow from the Corporate (including BP), Service and Directorate Plans, which set priorities for service changes and investment.

30.6.2 The Chief Finance Officer shall issue Notes of Guidance annually on the processes for preparing the BP and the Annual Budget.

30.6.3 At a more detailed level, instructions for Budget Holders on constructing their budget will be issued by LGSS Finance at the start of each BP process.

30.6.4 Budget Holders must make every effort to ensure that budgets they set meet commitments or likely commitments to be encountered. Setting budgets at a level which is known to be unmanageable is not permitted. Budget Holders who cannot contain such budgets within their overall cash limit must alert their Budget Reviewer at the earliest opportunity.

30.6.5 Budget Holders will be notified of their final budget allocations as soon as possible after the County Council’s annual budget meeting in February and by 31 March at the latest.
30.6.6 The BP process is the prime process. In-year requests for supplementary estimates are not permitted, except in exceptional circumstances and after prior consultation with the Chief Finance Officer (see financial regulations 6.4 and 7.3).

30.7 BUDGETARY CONTROL

30.7.1 A Service’s overall budgetary position is the responsibility of either the Executive Director (ETE and CFA) or the Service Director (Customer Service and Transformation), and this responsibility cascades down through Service Management Team, Budget Reviewers and individual Budget Holders.

30.7.2 At each level, managers must ensure that budgetary targets are met and, if particular budgets are forecast to overspend, early warning should be given and remedial action taken within the immediate management group to address this situation. Only when collectively that overspend cannot be contained should the problem be referred to the next management level. The role of the Budget Reviewer is crucial in this process, especially where the scope for remedial action at Budget Holder level is limited.

30.7.3 In order to ensure that reports are giving a correct message, it is important that Budget Holders pay particular attention to the way their budgets are profiled in the accounting system and action changes to profiles if these do not accord with realistic spending patterns.

30.7.4 LGSS Finance may require additional information and explanation from Budget Holders and their Budget Reviewers where the Service Finance & Performance Report gives cause for concern. This should include the financial impact of any remedial action taken.

30.7.5 Financial projections of likely budget positions at the end of the year should also be reported to management teams on a regular basis. These forecasts are the responsibility of the Budget Holder, and this is facilitated by the e-Business Suite system, but the financial adviser may assist in their production and will undertake a verification of the final projection.

30.7.6 Should any remedial action be required to achieve a balanced budget, Budget Holders must use virement facilities on the e-Business Suite to transfer budget between heads within their control to reflect this.

30.7.7 Where virement between their Budget Holders is required, this must be actioned on the e-Business Suite by the Budget Reviewer, who must comply with the authorisation rules as set out in appendix I.
30.7.8 In order to encourage optimum use of resources, carry-forwards of over/under spends will normally be considered at the end of the financial year for each Budget Holder. However, Service Management Team will make final decisions each year about carry forward arrangements in the context of the Corporate and Service spending position, taking into account such factors as:

a) Assessment of efficiency savings, fortuitous underspends, or overspends resulting from unforeseen or uncontrollable commitments;

b) Planned use of carried forward underspends; and

c) The position of Budget Holders who have overspent. Any overspend carried forward must be the first call on budget available in the new financial year, and the Budget Holders will be required to provide LGSS Finance with an explanation of the overspend and a plan of how it will be recovered.

30.8 CAPITAL

30.8.1 The annual capital budget / programme is approved each year in February in the context of the BP process and of Government Credit Approvals / Grants, and in the case of ETE, the LTP settlement.

30.8.2 Every scheme in the programme will have an agreed budget and identified source of funding. All variations in the estimated cost of schemes and/or the sources of funding must be approved by Service Management Team.

30.8.3 For each scheme in the programme a manager will be designated as Budget Holder. The Budget Holder’s responsibility is to monitor both progress and financial performance e.g. expenditure against the capital budget, and to alert the Capital Accountant and Strategic Finance Manager to significant financial control problems and/or slippage in the completion of the scheme.

30.8.4 A monthly capital monitoring report will be prepared and included in the Service Finance & Performance Report, which will be presented to their respective Committee bi-monthly. These capital monitoring reports will also feed into the corporate Integrated Resources and Performance Report, which is presented to SMT monthly and the General Purposes Committee bi-monthly.

30.9 AUTHORISATION OF VIREMENT PROPOSALS

31.9.1 Revenue and capital virement authorisation limits are set out in appendix I
STATEMENT OF FINANCIAL RESPONSIBILITIES

1. **Chief Executive**

The Chief Executive will be responsible for:

- understanding the nature of reporting needed under Sections 151 and 114 and the delegation arrangements in place to ensure proper performance.
- establishing an effective monitoring and reporting framework to enable him to properly hold Executive Directors or Service Director (Customer Service and Transformation) accountable for the discharge of their responsibilities.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

2. **Chief Finance Officer**

The Chief Finance Officer is the Chief Finance Officer with the Section 151 and 114 responsibilities.

The Chief Finance Officer will be responsible for:

- setting adequate standards, protocol and procedures for budgeting, accounting, systems, and reporting and for establishing a framework of monitoring to ensure these requirements are met.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- advising officers on the issues and circumstances in which reporting is needed.
- accepting reports from Executive Directors or Service Director (Customer Service and Transformation) on an exception basis.
- accepting routine reports from Strategic Finance Managers.
- the maintenance of a structured scheme of financial training.
- reporting on an exception basis to the Chief Executive.

3. **Executive Directors and Service Director (Customer Service and Transformation)**

Executive Directors and the Service Director (Customer Service and Transformation) are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- establishing an effective monitoring and reporting framework to ensure a proper awareness of significant issues.
- reporting as required to the Chief Executive (and as appropriate to the Chief Finance Officer) on any significant issue relating to their area of responsibility.
- ensuring staff throughout their departments are aware of their responsibilities and are capable of discharging them.
- ensuring adequate standards of internal control within their departments, and in particular, through their Service Management Team, ensuring the proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- identifying the individual Directors responsible for ensuring proper control for particular services (including corporate controls such as the register of interests).
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

4. Strategic Finance Managers

Strategic Finance Managers are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- obtaining the necessary information about their services to enable them to report (including receiving reports from the appropriate Service Finance Manager and/or Principal Accountant).
- initiating exception reports, when necessary, to the relevant Executive Director and to the Chief Finance Officer.
- ensuring proper awareness within the Service Management Team of the principles of control and the requirement for the introduction of cost effective control systems.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- the introduction and maintenance of variations to the Finance Management Arrangements for Services.
- establishing a framework of monitoring to verify that control requirements are met and agreed internal audit recommendations are implemented on a timely basis.

5. Service Directors

Service Directors will act for Executive Directors over his / her internal control responsibilities. This role will involve (within their areas of responsibility):
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- ensuring all applicable staff have seen and understand the Scheme of Financial Management.
- ensuring proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- ensuring timely implementation of agreed internal audit recommendations.
- establishing a robust monitoring and reporting framework to ensure control responsibilities are met.
- initiating exception reports where necessary to the Strategic Finance Manager and / or Head of Audit and Risk Management.
- reporting any potential overspending or underspending to their Executive Director.
- ensuring levels of financial competence in line with the Financial Training Plan.

6. **Head of Audit and Risk Management**

The Head of Audit and Risk Management is responsible for:
- the independent audit of internal financial control systems within the authority to assess their adequacy to ensure:
  - reliable financial and other management information and reporting
  - compliance with laws, regulations, policies, rules, etc.
  - properly safeguarded assets and interests
  - efficient and effective operations
- recommending and gaining acceptance of improvements to systems of internal control identified as necessary during the course of audits.
- reporting to
  - Strategic Finance Managers / Executive Directors and Service Director (Customer Service and Transformation).
  - Chief Finance Officer
  - Audit and Accounts Committee
  - the relevant Budget Holder
on main control issues, improvements agreed, and improvements made.
- initiating on an exception basis such reports that are necessary for the Chief Finance Officer and / or Chief Executive.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- providing advice on the nature of internal controls, the potential consequences of poor control and the control options available to reduce or limit risk.
7. **General Purposes Committee (GPC)**

The GPC delegated authority includes:

- authority for monitoring the overall performance of the Council against its Business Plan

- authorising budget virement which is not covered within the limits of virement contained in the Council’s financial rules, provided there is no change in the approved policy framework of the Council. Virement limits are set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules)

- authorising proposals which are not covered by the finance limits of the Executive Directors and Service Director (Customer Service and Transformation) delegated powers contained in A3 – A7, as set out in the table at paragraph 3 of Part 3D of the Constitution, provided there is no change in the Council’s approved budget and policy framework.

A full list of the GPC’s delegated authority can be found in Part 3B of the Constitution (Responsibility for Functions).
RETENTION OF FINANCIAL RECORDS

It is important that records (computerised or manual) are carefully retained and systematically filed as they are required for inspection by a number of agencies such as Internal Audit, the external auditor, Contributions Agency, HMRC officials etc.

The required MINIMUM period for the retention of financial records is:

CURRENT FINANCIAL YEAR PLUS THE THREE PREVIOUS FINANCIAL YEARS

This applies to:

- Receipts,
- Till Rolls,
- Invoices,
- Copy Orders,
- Audit Trails,
- School Meals and School Funds (non-public) Records,
- Government Procurement Card Transaction logs.

The advised periods for the retention of other financial records are detailed below:

<table>
<thead>
<tr>
<th>Accounts etc</th>
<th>Period of Retention</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Contracts</td>
<td>6 years after agreement ends</td>
</tr>
<tr>
<td>Purchasing Contracts</td>
<td>6 years after agreement ends</td>
</tr>
<tr>
<td>Stock Inventories</td>
<td>7 years</td>
</tr>
<tr>
<td>Published Accounts</td>
<td>Permanently / Indefinitely</td>
</tr>
<tr>
<td>Taxation Returns</td>
<td>Permanently / Indefinitely</td>
</tr>
<tr>
<td>External Audit Reports</td>
<td>Permanently / Indefinitely</td>
</tr>
<tr>
<td>Cheques</td>
<td>6 years</td>
</tr>
<tr>
<td>Bank Statements</td>
<td>6 years</td>
</tr>
<tr>
<td>Cash Statements</td>
<td>6 years</td>
</tr>
<tr>
<td>Deeds of Covenant</td>
<td>12 years after final payment</td>
</tr>
<tr>
<td>Primary Salaries &amp; Wages Records</td>
<td>7 years</td>
</tr>
<tr>
<td>Expense Accounts</td>
<td>7 years</td>
</tr>
<tr>
<td>Pension Scheme Records</td>
<td>Permanently / Indefinitely</td>
</tr>
<tr>
<td>Business Planning Papers</td>
<td>3 years</td>
</tr>
<tr>
<td>Capital Working Papers and Documentation (to support the requirements of regulation 5)</td>
<td>6 years from completion of project</td>
</tr>
<tr>
<td>Budgetary Control Reports</td>
<td>3 years</td>
</tr>
</tbody>
</table>

**Insurance**

- Insurance Policies (Excluding Liability) 6 years after lapse
- Liability Insurance Policies Permanently / Indefinitely
- Insurance Claims 6 years after settlement
- Insurance Schedules 10 years
THE SERVICE REPORTING CODE OF PRACTICE (SERCOP) - DEFINITION OF ACTIVITIES TO BE TREATED AS TRADING ACCOUNTS

The 2014/15 version of the SERCOP issued by CIPFA defines the five main types of trading operation that may be run by local authorities as:

1. Trading services or undertakings with the public or with other third parties. These include, amongst others, catering undertakings, markets, trade refuse collection and industrial units.

2. External trading organisations (ExTOs), which have won contracts from other public bodies, for example under the Local Authorities (Goods and Services) Act 1970.

3. Work carried out by internal trading organisations (InTOs) arising from voluntary competitive tendering (VCT) exercises.

4. Support services provided in a free internal market, i.e. to schools or to other budget holders who have been given freedom to buy externally if they wish.

5. Support services provided in a limited internal market, e.g. where budget holders are free to decide the quantity and type of work to be done on the basis of the prices quoted to them, but not to buy externally.

(Best Value Accounting Code of Practice 2014/15, Section 2.33 – Trading Accounts and Trading Operation, p.59)
TRADING BUDGETS AND EXTERNAL TRADING

1. PURPOSE

1.1 To offer guidance to Trading Unit Managers as to the considerations that should be brought into account in seeking to undertake work for other organisations.

2. ADVICE TO TRADING UNIT MANAGERS

2.1 There are four aspects to this area:
   (i) Legal considerations
   (ii) Prudential considerations
   (iii) Business considerations.
   (iv) Other considerations

2.2 Legal

The Local Government Act 2000 gives Local Authorities a general power to do anything which they consider likely to achieve the promotion or improvement of the economic, social and/or environmental well being of their area. The power cannot be exercised in a way which is otherwise prohibited and the manner in which it is to be exercised needs to be reflected in the Council's Community Strategy.

In addition, the duty on Local Authorities in the Local Government Act 1999 to secure Best Value requires Councils to make arrangements to secure continuous improvements in the way in which functions are exercised having regard to a combination of economy, efficiency and effectiveness.

It is open for Local Authorities to develop trading activities within the framework of the above legislation but proposed commercial activity would need to be linked to both the general power of well-being and the Best Value requirement. It would be prudent to expressly identify proposed trading activity for a purpose or for a body, which is not another Local Authority or public body, within the meaning of the following paragraphs within the Community Strategy.

In addition to the above general powers and duties, Local Authorities still have the ability to put in tenders or bid for work for external clients who fall within the context of other legislation which includes primarily the Local Authorities (Goods and Services) Act 1970 (Public bodies); the Local Government Act 1972 (other local authorities) and certain particular powers in other legislation.

The purposes in the 1970 Act are:
- the supply of any goods or materials, including the purchase and storage of any goods or materials;
- the provision of any administrative, professional or technical services;
- the use by the public body of any vehicle, plant or apparatus and the placing at their disposal the services of any persons employed in connection with the vehicle etc.;
2.3 Prudential Considerations

It is important that arrangements should not be entered into which expose the County Council, and its taxpayers, to financial risk. This means that Trading Unit Managers must:

(i) consider the existence and availability of suitably skilled staff.

(ii) ensure the adequacy of the preparation of charges for external work and the management information and control systems. Costings should be sufficiently wide to cover set-up costs, cash-flow and provision for termination costs (e.g. potential redundancies);

(iii) ensure that external work is not disproportionately large compared to service provided within the authority;

(iv) not bid for work / tenders that would involve taking on substantial extra staff to handle the contract;

(v) where a contract is potentially short-lived, but may require some additional staff, they should ensure that these staff are appointed on fixed-term contracts;

(vi) ensure that they consult with the Head of Audit and Risk Management on appropriate professional indemnity insurance prior to bidding for work;

(vii) ensure that the purpose of the arrangements is not to maintain employment.

(viii) ensure that the contract business generates at least a marginal surplus.

2.4 Business Consideration

Before undertaking such work, Trading Unit Managers should actively include proposals within its Annual Business Plan for the service. Consideration in a Business Planning context would encompass:-

(i) does provision further the objectives of the Trading Unit?

(ii) the managerial capability to handle the work, including the need to ensure that undertaking the work does not overstretch the unit, or compromise service provision to internal customers.

2.5 Other Considerations / Questions

(i) Is the external work carried out for a County Council Partner? Does it help to meet mutual objectives? Is the partner from the public (police/another authority) private or voluntary sector?

(ii) What are the trading arrangements (e.g. annual agreement, spot bought, by project tender). Therefore how long is the external client likely to need the service, and what is the relative security of income?

(iii) What are the risks associated with the contract conditions that apply? Do they offer flexibility to the unit or do they place a commitment on them that, if unfulfilled, would leave the County Council liable in law to fund the work carried out by another organisation?
(iv) What are the “market conditions” that apply to the work? Will pricing in any tender need to be very competitive? Will this significantly increase the risk of returning a loss? Would the Trading Unit therefore charge external clients less than it would an internal client?

(v) What are the benefits (skills/experience) of working for external customers? Will these help the Trading Unit in its work for the County Council?

(vi) What is the scale of the operation of the unit and the present or projected volume and proportion of external work? What are the trends? If trading losses were incurred how large could they be in financial and political terms? What is the “worst case” scenario?

(vii) What is the “critical mass” of the unit? By reducing or removing external work would the critical mass be threatened, thereby increasing unit costs and making the unit less viable? Is there a critical mass in terms of skills and abilities?

(viii) Does external work / customers allow the Council to make better use of facilities - perhaps benefiting the wider community?

3. The above factors are only pointers to the legality, prudence and business sense of an arrangement. It is a matter of striking a balance. Beyond ensuring that the proposals are within legal powers, one adverse factor, alone, may not be a reason not to proceed.

4. Selling services to the private sector would generally be outside the Council’s powers and any proposal in that direction must be agreed in advance with the Head of Audit and Risk Management and the Chief Finance Officer. Very exceptionally, a private sector contract may be permissible if, within existing resources, there is a temporary surplus capacity and the Council could use that capacity to establish that the contract is incidental to the exercise of the Council’s proper functions, and therefore lawful. But such circumstances occur only at the margin and infrequently.

5. The above guidance is simply that, guidance. The essential points, beyond acting within the law, are to act prudentially and consistently within the aims of the Trading Unit. By its nature this guidance is general and specific circumstances vary. Before proceeding with any proposals, Trading Unit Managers should first consult with the Head of Audit and Risk Management and the Chief Finance Officer.
## TRADING BUDGETS’ DIRECT AND OTHER CHARGES

<table>
<thead>
<tr>
<th>Direct Charges for Trading Units</th>
<th>Method of Recharge for Trading Units</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accommodation</td>
<td>Direct charge in relation to the amount of accommodation occupied</td>
<td>Charge based on a standard cost per square metre</td>
</tr>
<tr>
<td>Finance</td>
<td>Direct charge</td>
<td>Charged by Finance</td>
</tr>
<tr>
<td>Building Maintenance (Revenue)</td>
<td>Direct Charge (where this is not a County Office)</td>
<td>County Offices come under County Offices Recharge</td>
</tr>
<tr>
<td>Payroll</td>
<td>Direct charge</td>
<td></td>
</tr>
<tr>
<td>Revenues &amp; Benefits</td>
<td>Direct charge - per transaction</td>
<td>Pay As You Use – regular service. Charged by R&amp;B</td>
</tr>
<tr>
<td>Procure to Pay</td>
<td>Direct charge - per transaction</td>
<td>Pay As You Use – regular service. Charged by P2P</td>
</tr>
<tr>
<td>HR – Recruitment</td>
<td>Direct charge - for costs of any recruitment</td>
<td>Pay As You Use – irregular service. Charged by HR</td>
</tr>
<tr>
<td>HR – Training</td>
<td>Direct charge - for costs of any training course</td>
<td>Pay As You use – irregular service. Charged by HR</td>
</tr>
<tr>
<td>Legal</td>
<td>Direct charge - for costs of any legal advice</td>
<td>Pay As You Use – irregular service. Charged by Legal</td>
</tr>
<tr>
<td>Pensions</td>
<td>Direct charge - for costs of any support given</td>
<td>Pay As You Use – irregular service. Charged by Pensions</td>
</tr>
<tr>
<td>Insurance</td>
<td>Direct charge of providing cover</td>
<td></td>
</tr>
</tbody>
</table>
LGSS COLLECTIONS STRATEGY (PROCESS FLOW)

Phase 1 - Recovery Stage

Invoice Raised

Std Pay’t Term - within 28

PAID

Not paid after 14 days of issue

Reminder

PAID

Not paid after 28 days of issue

Final Notice

PAID

UNPAID AFTER 38 DAYS OF ISSUE

Phase 2 - Formal Recovery

Take Legal Action

Prepare Write Off, e.g. Liquidation

UNPAID

Refer External Collection Agency

MONITORING BY LGSS COLLECTIONS TEAM

WRITE

PAID
INVENTORY INSTRUCTIONS

1. PURPOSE
   1.1 To provide instructions on how inventories must be maintained.
   1.2 Internal Audit must be consulted prior to computerising the inventory.

2. INVENTORY RECORDS
   2.1 The inventory must include individual items of value exceeding £500. However, it is recommended that items of lesser value should be included if they are attractive and portable. Furniture need not be included unless it is considered unique or particularly valuable.

   2.2 Serial numbers of equipment must be noted as this information may be very useful to the police if items are stolen. Security marking should be used to record the name of the establishment and its postcode. (Items on loan from other establishments etc. should not be marked).

   2.3 Budget Holders must ensure that the register is kept up to date. Systems therefore should ensure that the person responsible for the inventory is kept fully informed of purchases, loans, write-offs etc.

   2.4 Proper procedures must be established for loans of equipment, including authorisation policy, specification of finite periods of loan and written acknowledgement of loan. Loans out and items borrowed must be recorded in the sections provided at the back of the inventory book.

   2.5 The Budget Holder must sign the inventory book to authorise write-offs, transfers and sales.

   2.6 Budget Holders must ensure that inventories are checked at least annually. The existence of items loaned out, and those held on loan should also be checked. The annual check should be undertaken by someone other than the person responsible for the equipment on the inventory. The check must be documented as specified in the inventory book.

   2.7 Where the Budget Holder is responsible for several establishments or Services/Corporate Directorates, each with their own inventory, a master list of inventories held should be maintained.

   2.8 Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Council, it should be sold at the best price available, in accordance with the County Council’s Contract Procedure Rules. Where computers are to be disposed of, IT advice must be sought in view of the implications for software licences and data security. The agreed price must be paid before removal of the item.

   2.9 A copy of the inventory must also be kept off-site.
CAMBRIDGESHIRE COUNTY COUNCIL

STOCK CERTIFICATE

Stock Description _________________________________

Held at ___________________________________________

I CERTIFY that to the best of my knowledge and belief that:

(1) The total value of stock in hand as at 31\textsuperscript{st} March 20____ is £ and individual quantities and value of commodities included in the total are correct. The values have been calculated at the lower of cost and realisable value (see note below).

(2) The commodities shown in the stores records have been the subject of a periodical test examination of stores in hand and all stores have been checked at least once during the year in accordance with Financial Regulation 24.7.

(3) Any surpluses or discrepancies revealed by a periodical test examination or otherwise have been investigated and dealt with in accordance with Financial Regulations 24.11

Signed ___________________________ Service / Corporate Directorate _______________

Position __________________________ Date ______________

TO BE RETURNED TO: The Appropriate Finance Unit
At Shire Hall / Castle Court

Note
Stocks should be valued at cost price unless they are obsolete or have been subject to a price decrease after their purchase. In the former case the best estimate of market value should be used. In the latter case, the correct basis is price at 31\textsuperscript{st} March.

Part 4, Part 4.6-1, Financial Regulations [effective from 22nd March 2016]
4.6-1, page 50
### AUTHORISATION OF VIREMENT PROPOSAL

**VIRE REVENUE** BUDGET FROM BUDGET HOLDER TO:

<table>
<thead>
<tr>
<th>REVENUE</th>
<th>Over £160,000</th>
<th>£50,000 to £160,000</th>
<th>£10,000 to £50,000</th>
<th>Less than £10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GPC</td>
<td>Same Budget Holder</td>
<td>Chief Finance Officer / Executive Director / Service Director (Customer Service and Transformation)</td>
<td>Strategic Finance Manager / Head of Service</td>
</tr>
<tr>
<td>2</td>
<td>GPC</td>
<td>Another Budget Holder in same Division</td>
<td>Chief Finance Officer / Executive Director / Service Director (Customer Service and Transformation)</td>
<td>Strategic Finance Manager / Head of Service</td>
</tr>
<tr>
<td>3</td>
<td>GPC</td>
<td>Another Budget Holder in another Division</td>
<td>Chief Finance Officer / Executive Director / Service Director (Customer Service and Transformation)</td>
<td>Strategic Finance Manager / Heads of Services</td>
</tr>
</tbody>
</table>

Note:  
1. GPC approves virement over £160,000 between main budget headings defined as the objective analysis of expenditure incorporated in the published Budget report for each Service Block.  
2. Virement from one off underspendings to meet ongoing commitments will not normally be authorised.

**VIRE CAPITAL** BUDGET FROM BUDGET HOLDER TO:

<table>
<thead>
<tr>
<th>CAPITAL</th>
<th>Over £250,000</th>
<th>£50,000 to £250,000</th>
<th>£10,000 to £50,000</th>
<th>Less than £10,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>GPC</td>
<td>Same Budget Holder</td>
<td>Chief Finance Officer / Executive Director / Service Director (Customer Service and Transformation)</td>
<td>Strategic Finance Manager / Head of Service</td>
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<td>2</td>
<td>GPC</td>
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<td>3</td>
<td>GPC</td>
<td>Another Budget Holder in another Division</td>
<td>Chief Finance Officer / Executive Director / Service Director (Customer Service and Transformation)</td>
<td>Strategic Finance Manager / Heads of Services</td>
</tr>
</tbody>
</table>
CONTACT OFFICERS

In case of any query on Financial Regulations, please contact any officer listed below.

Finance, Property and Performance - Corporate Directorate

Chris Malyon  Chief Finance Officer  01223 699796
Chris Law  Head of Transactions  01604 367126

Service Offices

Sarah Heywood  Strategic Finance Manager (Corporate Finance, Economy, Transport & Environment, Corporate Services & LGSS)  01223 699714
Martin Wade  Strategic Finance Manager (Children’s)  01223 699733
Tom Kelly  Strategic Finance Manager (Adults)  01223 703599

Audit and Risk Management - Corporate Directorate

Neil Hunter  Interim LGSS Head of Audit & Risk Management  01223 715317
# REFERENCES

<table>
<thead>
<tr>
<th>Area</th>
<th>Actual Web Address</th>
</tr>
</thead>
</table>
Contract Procedure Rules

Adopted by Cambridgeshire County Council
Sixth Edition (Revised 01 October 2015)
29 October 2012

Adopted by Northamptonshire County Council
Part 4 G (Revised 01 October 2015)
29 October 2012
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Part 1 – Introduction, Scope & Responsibilities

1. Introduction

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

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

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

1.4 If there is any change to the law which affects these rules then that change must be observed until these rules can be revised. If these rules conflict in any way with the law then the law takes precedence. It is the Officers responsibility to seek appropriate support from the Central Procurement Team in relation to any procurement activity.

1.5 Before embarking on any procurement activity it is the Officers ultimate responsibility to seek appropriate support and guidance from the Council’s Central Procurement Team. If the Officer is in any doubt about whether the rules apply, he/she must always consult with the Council’s Central Procurement Team immediately.

1.6 Any value stated within these rules are exclusive of VAT.

2 Basic Principles

2.1 All procurement activity and contract/supplier management must:

- Achieve Value for Money for public money spent
- Be consistent with the highest standards of integrity
- Ensure fairness and transparency in awarding public contracts
- Ensure that the Council comply with all legal requirements
- Ensure that Non-Commercial Considerations do not influence any contracting decision.
- Support the Council’s corporate and departmental aims and policies
3 Exceptions to the Rules

3.1 These rules apply to every procurement/Contract made by or on behalf of the Council except for:

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

3.1.2 acquisition or disposal of any interest in land;

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

3.1.4 goods, services or works purchased through the ESPO General Catalogue up to £10,000 per transaction and as long as the Officer is satisfied that the catalogue offers Value for Money (for CCC Officers only). This does not include ESPO Dealing Direct, Pro 5 or Government Procurement Services (GPS) contracts to which the rules must still be followed;

3.1.5 contracts for employment,

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

3.1.7 any Contracts entered into through collaboration with other Local Authorities or other public bodies, where a competitive process has been followed that complies with the rules of the lead organisation (but does not necessarily comply with these rules). This does not include regional procurement bodies such as ESPO Dealing Direct, Pro 5 or GPS contracts to which the rules must still be followed. Evidence should be obtained and held for audit purposes;

3.1.8 the lending or borrowing of money;

3.1.9 The Officer may secure a care placement without calling for competition providing he/she has ensured best value for the Council and the placement satisfies all of the four criteria below:

1) The care requirement is not more than one care provider in a reasonable proximity to meet the individual's needs.
2) The care requirement is both complex and unique the individual.
3) There is no accessible framework for placing the care requirement.
4) The requirement has been approved by the Chief Officer of the relevant directorate and the 151 Officer.

It is the Officer’s responsibility to ensure that such all care placements in the Officer’s remit are reviewed regularly for continued value for money.
4 Requesting An Exemption

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

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

4.3 Where the Total Value is up to £25,000

Exemptions for proposed Contracts up to £25,000 in Total Value must be documented and authorised by the relevant Chief Officer. The Chief Officer making the decision must be satisfied that the exemption is both Value for Money and in the best interest of the Council.

4.4 Where the Total Value is from £25,000 up to £100,000

Exemptions for proposed Contracts with a Total Value of £25,000 and not exceeding £100,000 must be recorded using the Exemption Request Form located in the central procurement team pages of the intranet. The Officer must secure approval from the Chief Officer and then send to the Central Procurement Team for approval by the Head of the Central Procurement Team. Approval must be obtained by the Officer prior to any procurement activity commencing. The Exemption Request Form will be returned to the relevant department for retention with the Contract records, with a copy retained by the Central Procurement Team.

4.5 Where the Total Value is £100,000 up to the current EU Threshold.

Exemptions sought that are equal to or over £100,000 and not exceeding the EU Threshold for goods and services must be recorded using the Exemption Request Form located in the central procurement team pages of the intranet. The Officer must secure approval from the Chief Officer, the Monitoring Officer and the Section 151 Officer and then send the approved form to the Central Procurement Team. Approval must be obtained by all parties prior to any procurement activity commencing. The Exemption Request Form will be returned to the relevant department for retention with the Contract records, with a copy retained by the Central Procurement Team.

4.6 Exemptions Equal to and Over the EU Threshold

Exemptions sought that are equal to or above the EU Threshold for works, goods or services and not exceeding the Council’s Key Decision threshold can be requested in specific circumstances where the Officer can demonstrate clear evidence that there would be no benefit from competition due to the nature of the provider market. An exemption would only be considered if the obligations under the EU regulations are satisfied. Exemptions sought under any other circumstances at this level are not permitted. The Officer must record the exemption using the Exemption Request Form located in the central procurement team pages of the intranet. The Officer must secure approval of authorisation from the Chief Officer, the Monitoring Officer and the Section 151 Officer and then send the approved form to the Central Procurement Team. The Exemption Request Form will be returned to the relevant department for retention with the Contract records, with a copy retained by the
4.7 **Exemptions over the Council’s Key Decision Threshold**

Exemption requests cannot be sought for exemptions equal to or above the Council’s Key Decision threshold.

4.8 **Repeat Exemptions**

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

4.9 **Exemptions for Works**

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

4.10 **Exemption Initiated by the Central Procurement Team**

In instances where an exemption request is initiated by any member of the Central Procurement Team, a procurement specific Exemption Request Form located in the central procurement pages of the intranet will be completed and submitted to the Monitoring Officer for approval or rejection. A copy will be retained by the Central Procurement Team.

5 **Non-Compliance with the Rules**

5.1 Where an Officer becomes aware of any non-compliance with these rules and which cannot be remedied, they must notify the Monitoring Officer at the earliest opportunity.

6 **Recommended Reading**

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

- Procurement Best Practice Guide (CCC Officers only).
- The Council's Financial Regulations (CCC Officers only).
- Financial Procedure Rules (NCC Officers only).
- Any relevant S.O.R.Ps especially Procurement S.O.R.P. (NCC Officers only).
- Policies and processes on the Central Procurement Team’s intranet pages.

7 **Officer Responsibilities**

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

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

7.3 The Officer must have regard to current guidance (see rule 6 of this section) provided by the
Central Procurement Team and the principles of the Council’s Procurement Strategy.

7.4 The Officer is responsible for the procurement and must ensure:
- Continuing compliance with the Council’s requirements.
- Value for Money.

2.11 Compliance with these rules, any legal, statutory requirements and any Council policies.

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

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

7.7 The Officer must consider whether the procurement involves a “Key Decision”. If it does then the Officer must seek approval from the relevant Committee appropriate to the nature of the Contract (CCC Officers only) or Cabinet (NCC Officers only) prior to the procurement commencing.

8 Chief Officer Responsibilities

8.1 Chief Officers must comply with these rules and must ensure that their Officers comply with these rules.

8.2 The Chief Officer must keep a written record of all approved exemption requests for his/her department and work with the Central Procurement Team to avoid seeking exemptions in future. This record must be produced when required by the Monitoring Officer or audit.

8.3 Chief Officers must keep a register of contracts completed by signature (rather than by the Council’s seal) and arrange their safekeeping on Council premises as per the Council’s retention policy available on the Central Procurement Team’s intranet pages.

9 Prevention of Corruption and Conflict of Interest

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

9.2 The Officer and the Chief Officer must always comply with the Council’s Code of Conduct and must not offer, promise or give any gift or reward in respect of the award or performance of any Contract.

9.3 The Officer and the Chief Officer must always comply with the Council’s Code of Conduct with regards to receiving of gifts in respect of the award or performance of any Contract.

9.4 Officers are advised that any inappropriate behaviour that is deemed contrary to the Bribery Act 2010 could result in dismissal and then matter may be reported to the police.
Part 2 - Procurement Behaviour & Thresholds

1 Procurement Thresholds and Value for Money

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

1.2 If the lowest Quotation/ Tender obtained exceeds the threshold applicable to the procedure selected, the Officer must consult with the Central Procurement Team for approval to proceed or restart the procurement.

2 Total Value

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

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

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

2.4 Unless otherwise agreed by the Monitoring Officer the Contract term should not exceed 4 years in total (including any optional extension period(s)).

2.5 Where leasing arrangements, purchasing support or maintenance agreements are used, the total amount payable over the life of the lease or maintenance period shall determine the appropriate procedure. This should include lease costs and any other costs such as consumables/servicing and maintenance.

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

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

2.8 All costs stated in these rules are exclusive of VAT.
3 Steps Prior To Purchase

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

3.2 The Officer must define the duration of the Contract that will provide the most economically advantageous outcome for the Council. This decision must be made in advance of the procurement process and done in accordance with rule 2.4 of this section.

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

- Not buying the goods or services or not having the works done at all;
- Providing the goods, services or works ourselves;
- Get a third party to provide the ongoing goods, services or works on behalf of the Council;
- Providing the goods, services or works in partnership with a third party;
- By commissioning jointly with another Council;
- By utilising a buying consortium (e.g. ESPO, CBC, Government Procurement Services) to procure on behalf of the Council;
- Whether a Corporate Contract exists within the Council (see rule 6 of this section).

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

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

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

3.6 The Officer must consider (where relevant) any specific requirements for what they are purchasing such as Criminal Record Bureau checks or statutory requirements.

3.7 The Officer must ensure that any Prior Information Notices (PINs) or Voluntary Ex-Ante Transparency (VEAT) notices, required for the EU Procedure are placed in the Official Journal of the European Union by a member of the Central Procurement Team.

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

3.9 Where the procurement meets the criteria defined for submission to an established Council review group the Officer must comply with those requirements.
4 Market Research and Consultation with Third Parties

4.1 The Officer responsible for the purchase

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

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

5 TUPE – Transfer of Undertakings (Protection of Employment)

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

6. Corporate Contracts

6.1 The Council has a number of “Corporate Contracts” created by the Central Procurement Team for common goods, supplies and services where the prices and terms have been negotiated to achieve the Value for Money for the Council as a whole.

6.2 The Officer must ensure he/she does not procure any goods or services or seek an exemption in relation to procuring any Contract without first checking whether the provision can be provided by a Corporate Contract. Where Corporate Contracts exist the Officer must use these Corporate Contracts unless specifically agreed with the Central Procurement Team. The list of Corporate Contracts are available on the Central Procurement Team’s intranet pages.

7. Collaboration

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

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

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

7.4 The Council’s Constitution relating to whether the expenditure is a Key Decision must be applied regardless of which body will lead a collaborative procurement.
8 Insurance

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

9 Sustainable Procurement

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

10 Supporting Local Enterprises, Voluntary and Community Organisations and Ensuring the County Benefits.

10.1 Officers should use the Council’s purchasing power to support Local small and medium enterprises (S.M.Es) and/or voluntary and community organisations and seek benefits and added value for the Local geographical area wherever possible and where this provides equal or better Value for Money for the Council than alternatives. It must be noted that the EU public procurement legislation requires Officers not to give direct favour or show bias. Therefore Officers must carefully review the required specifications and evaluation methodology of any procurement to ensure that small and medium sized enterprises are not being disadvantaged in their ability to Tender for goods, works or services with the Council.

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

10.3 Officers must consider the supply chain and how each specific procurement can help the Local community and Local small medium enterprises Local to the Council. This consideration should also be given when purchasing from Frameworks Agreements (see rule 13 of this section).

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

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

10.5 This consideration should also be given when purchasing from Frameworks (see rule 13 of this section). Advice on this issue must be sought from the Central Procurement Team.
Please also refer to the Council’s policy on apprenticeships which can be found on the Council’s intranet.

10.6 Under the Localism Act 2011 and the Community Right to Challenge, an individual or group can propose a solution to provide a service that the Council currently provide. Advice on the process to follow should a challenge be received can be found can be found on the Council’s intranet.

11 Income Generating Purchases

11.1 Where an Officer is proposing to enter into a Contract where either;
   (i) the Council will be the service provider, or
   (ii) the Contract may generate income for the Council possibly to off-set the monies otherwise payable by the Council to the supplier (e.g. a sponsorship agreement), in addition to the other requirements in these rules,

11.2 The Officer shall only enter into a Contract if the relevant Chief Officer is satisfied that:
   • the services to be provided and any benefits to the Council have been clearly specified;
   • the Council has power to provide the service, if applicable;
   • the proposed Contract is in the best interests of the Council.

12 Consultants

12.1 For the procurement of a Consultant the relevant Chief Officer must follow the Council’s process (available on the Central Procurement Team’s pages of the intranet) justifying the requirement and must achieve approval according to that process prior to any procurement activity commencing.

12.2 The Chief Officer must consider whether internal resource can provide the requirement in the first instance.

12.3 The Chief Officer must consider whether the temporary agency staff provision can provide the requirement in the second instance.

12.4 The Chief Officer must comply with the Council’s policy on Consultancy available on the Council’s intranet.

12.5 A Consultant appointed to advise on the procurement or design of the project, or to advise on an evaluation or similar exercise must not be permitted to bid for any subsequent stage of the work or project. Any enhancement or changes to the original appointment on advising on a project must undergo a further justification as per rule/ regulation 12.1 of this section.

13 Purchasing From Framework Agreements

13.1 The Officer may purchase goods, services or works from a Framework Agreement if the Council is named either specifically or in acceptable geographic terms on the Framework Agreement and the scope for the Officer’s purchase is specified in the framework.

13.2 The Officer must not call-off from a Framework Agreement if there is no clear and specific call-off criteria in the agreement.
13.3 A Framework Agreement should not be considered if a Corporate Contract or any other approved Contract exists.

13.4 The Officer must consult with the Central Procurement Team if the proposed value of the purchase is £100,000 or more.

13.5 Where the terms of the Framework Agreement provide for direct purchase without competition and the terms of such call-off are sufficiently precise, Officers may purchase under the Agreement without re-opening competition.

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

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

14 Setting up a Framework Agreement

14.1 The term of any Framework Agreements must not exceed four years (EU requirement) except in exceptional circumstances, in particular, circumstances relating to the subject of the Framework Agreement. In the event that a Framework Agreement is required for more than four years Officers must seek approval from the Monitoring Officer.

14.2 The default for creating a call-off mechanism when creating a Framework Agreement should be a mini-competition. Where a mini-competition mechanism is not used this must be approved by the Central Procurement Team.

14.3 The Officer must consider the impact of potentially closing the market in this sector to new suppliers during the period of the Framework Agreement and ensure that the benefits and length of the Framework Agreement are justified.
15 Purchases up to £2,000 in Total Value

15.1 Whilst obtaining Value for Money remains the primary objective, multiple Quotations are not essential where the Total Value of the proposed Procurement is less than £2,000.

15.2 Officers must not seek to procure any goods, services or works if the requirement can be satisfied by using the ESPO Catalogue up to £10,000 per transaction (For CCC Officers only).

15.3 Officers must not seek to procure any goods, services or works if the requirement can be satisfied by using an existing Corporate Contract.

It is optional to place an advert for the procurement activity on the Council’s Tender Advertising Portal.

15.5 A purchase order must be raised unless the purchase is conducted using GPC Card. The terms of the purchase order should suffice unless the Officer believes the complexity of the purchase requires more bespoke terms from the Central Legal Team. The purchase order must specify clearly what the Officer wants.

16 Low Value Contracts from £2,000 up to £25,000 in Total Value

16.1 Officers must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an existing Corporate Contract, the ESPO Catalogue (For CCC Officers only) up to £10,000 Total Value.

16.2 The Officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an existing Corporate Contract.

16.3 A minimum of three written Quotations must be obtained for requirements between £2,000 and up to £25,000 and a purchase order must be processed before goods or services or works are purchased. Wherever possible at least two quotes must normally be from a Local provider. The written Quotations must contain:

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

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

(CCC only) An advert must be placed on the Council’s Tender Advertising Portal where the total spend is £10,000 or more. For under £10,000 in total spend it is recommended to place an advert for the procurement activity on the Council’s Tender Advertising Portal.

16.6 If the Officer cannot obtain three Quotations, the Officer must satisfy themselves that they have obtained Value for Money for the Council and must seek approval from their direct Chief Officer to proceed and the justification to proceed must be recorded and be available for inspection.

16.7 Where more than three Quotations are returned the Council reserves the right to select those Candidates whose Quotations will be evaluated based on its Officers’ professional judgement.
which must be explained in the notice and/or documents. The Officer must make this clear in his/her Request for Quotation document and in the advert to Bidders.

16.8 A purchase order must be raised. The terms of the purchase order should suffice unless the Officer believes the complexity of the purchase requires more bespoke terms from the Central Legal team. Where it is proposed that a form of Contract be used which does not adopt the Council’s standard terms the use of such must be approved by the Central Legal Team. The purchase order must state:

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

**Purchases from £25,000 up to £100,000 in Total Value.**

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

17.2 A minimum of three comparable written Quotations must be sought and wherever possible at least one quote must be normally from a Local provider. This must be done using the Formal Request for Quotation documentation (available on the Central Procurement Team’s pages of the intranet) unless otherwise agreed by the Central Procurement Team and must specify:

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

17.3 An advert must be placed on the Council’s Tender Advertising Portal.

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

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

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

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

The Officer must advertise an award notice on the Council’s Tender Advertising Portal where the Officer has placed the advertisement (see 17.3).
18 **Purchases from £100,000 in Total Value up to the Current EU Threshold**

18.1 The Officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an existing Corporate Contract.

18.2 Where it is anticipated that the procurement activity will lead to a Contract with a Total Value in excess of £100,000, the Officer must develop a summary proposal to be agreed by the Central Procurement Team. This summary includes baseline costs and will be used to calculate the benefit of the Procurement activity. The Central Procurement Team currently uses a Summary Procurement Proposal form to do this and it is available on the Central Procurement Team’s pages of the intranet.

18.3 Officers must consult with the Central Procurement Team before commencing the procurement.

18.4 Officers must follow a formal Tender process (see Part 3). The Council’s Procurement Best Practice Guidance available on the intranet can offer guidance on the Tender process.

18.5 An advert must be placed on the Council’s Tender Advertising Portal. The Criteria for selecting the most advantageous Tender must be established before the written Tenders are invited.

18.6 Officers must consult with the Central Legal Team as early as possible and prior to commencing the Tender process.

18.7 The Officer must advertise an award notice on the Council’s Tender Advertising Portal where the Officer has placed the advertisement (see 18.5).

19 **Contracts over EU Threshold in Total Value**

19.1 The Officer must not seek to procure any goods, services or works if the requirement can be satisfied by calling off using an existing Corporate Contract.

19.2 All goods, services and works with a procurement Total Value in excess of the EU Threshold levels covered by the EU Procurement Directives are enforced by EU Public Contracts Regulations 2015, which lay down a strict process for advertising, timetabling and supplier selection. The latest thresholds and regulations can be found at the following site [http://www.ojec.com/Threshholds.aspx](http://www.ojec.com/Threshholds.aspx). These regulations take precedence over all County Council and UK national regulations and carry potentially heavy penalties for non-compliance. Officers must comply with the detail and principles of the Directives at all times.

19.3 The Central Procurement Team must be consulted on the developments of all EU notices and are responsible for EU notice publication. The Criteria for selecting the most economically advantageous Tender must be established and published at the time that the notice is placed.

19.4 Officers must consult with the Central Procurement Team before commencing the procurement.
19.5 The Central Procurement Team must be consulted regarding decisions relating to whether a procurement of services should be treated as either a Part A service or Part B service.

19.6 In addition the Officer must advertise the procurement on the Council’s Tender Advertising Portal immediately AFTER despatch of advert to OJEU and must contain no more information than the OJEU version.

    Officers must ensure that in the award of any Contract covered by the EU Procedures they follow the formal award process described in the EU notice.

    Officers must consult with the Central Legal Team as early as possible and prior to commencing the Tender process.

19.9 The Officer must advertise an award notice on the Council’s Tender Advertising Portal where the Officer has placed the advertisement (see 19.6).

---------------------------------------------------------------------------------------------------------------------------------------- End of Part 2 ----------------------------------------------------------------------------------------------------------------------------------------
Part 3 - Tendering & Contract Management

1 Fair and Equal Competition

1.1 The Officer must manage any Tender or Quotation process in such a way that all Bidders are treated equally and ensure that any clarification meetings (at pre and post Tender stage, if necessary) are conducted fairly and transparently.

1.2 Officers must take care in compiling lists of Bidders and in preparing Tender documentation, as well as in the conducting of post-Tender clarification and/or negotiation meetings. Decisions must be recorded in writing.

1.3 Officers need to be aware of the key pieces of legislation in relation to equality and diversity, which include but are not limited to the Equalities Act 2010 and seek advice within the relevant bodies within the Council.

2 Tender Preparation

2.1 Unless confined by market conditions or legal requirements, a minimum of three Bidders must be invited to Tender. The Officer must invite a minimum of five Bidders if the Total Value is over the EU Threshold (excluding negotiated and competitive dialogue procedures which require three Bidders to be invited). At least three tenders must also be received.

2.2 In the event that less than three tenders are received then an exemption must be sought.

2.2.1 Candidates invited to Tender must be given an adequate period in which to prepare and submit a Tender response consistent with the urgency of the procurement requirement, the level of complexity of the requirement and according to the industry norm. Normally at least three weeks should be allowed for submission of Tenders. For Tenders above the EU Threshold, Officers must adhere to the EU Tender minimum timescales. The Officer must ensure that the specification and evaluation Criteria take into account the Council’s priorities.

2.3 The Officer must ensure that the specification clearly describes the intended outcomes/outputs and that it is complete, adequate and fair to allow Tenders to be sought.

2.4 The Officer must assess the quality of Tenders by pre-determined non discriminatory evaluation Criteria and weightings, including whole life cycle cost where appropriate.

2.5 The Officer must assess the risks associated with the Contract.

2.6 The Officer must maintain a Tender file to record all decisions and other matters associated with the Tender.

2.7 The Contract terms and conditions must be included with the Invitation to Tender documents. These must be obtained from the Central Legal Team. Where it is proposed that a form of Contract be used which does not adopt the Council’s standard terms the use of such must be approved by the Central Legal Team.

2.8 The Tender documentation must explain how information provided in the Bidder’s response/s will be treated with regard to any statutory requirements (e.g. Freedom of Information Act requests). If in doubt please seek advice from the Central Legal Team.
2.9 Invitations to Tender must include a statement that the Council does not bind itself to accept the lowest price Tender or any other Tender.

2.10 Bidders must be required to hold their Tenders open for acceptance for a minimum of 90 days from the date of opening.

2.11 The Evaluation Criteria and sub Criteria must be disclosed in the Invitation to Tender documentation and any prequalification documentation.

2.12 Officers should ensure that the Contract terms and conditions provide that the Contract price may be adjusted should the Total Value of a Contract increase or decrease due to increased or decreased volume or value.

2.13 Officers must take account of Council policies with regard to SMEs and apprenticeships etc (see rule 10 of Part 2 of this document).

3 Selection and Award Criteria

3.1 Officers must treat selection and award Criteria separately. Selection Criteria are based on a Bidder’s ability to perform the Contract and are only used at the PQQ (pre-qualification to Tender) stage in a Restricted Tender Procedure or as an initial stage of the evaluation in an Open Tender Procedure. Award Criteria are used at the Invitation to Tender stage and are described in the Tender documentation.

3.2 In a Restricted Tender Procedure the selection Criteria would be at PQQ stage. In an Open Tender Procedure the selection Criteria would be treated as a first part of the evaluation of the Tender to be evaluated before award Criteria is evaluated.

4 Use of Presentations and Site Visits in a Tender Process

4.1 Careful consideration should be given to the use of presentations and/or site visits within the Tender process. There should be a clear understanding of the reason for the use of the presentation or visit and how it will contribute to the evaluation process. The default position should be not to use presentations or conduct site visits. If however, it is required this must be declared as part of the evaluation Criteria in the Tender document. All Bidders must be invited to present or be included in site visits. Any questions should be sent to Bidders in advance. The documentation must clearly state what weighting presentations/site visits carry as part of the award Criteria.

5 Conducting an Electronic Tendering (E-Tendering) Process

5.1 The Officer must where possible run his/her Tender process as an electronic Tender process (as per thresholds Part 2 rules 18 and 19). Where an electronic process is not used, this must be agreed with the Council’s Central Procurement Team.

5.2 Other E-procurement tools such as (but not limited to) e-auctions and electronic Quotations and/or Dynamic Purchasing Systems must also be considered for Tenders. Tenders by fax must be rejected.
6 Conducting a Non Electronic Tender (Hard Copy Tender)

A Non Electronic Tender must be agreed by the Head of the Central Procurement Team that the Tender process can be run as a non-electronic process.

6.2 The Officer must consult with the following department to receive delivery of Tenders when arranging for Tender responses from Bidders returned in hard copy format:

- The Central Legal Team (for NCC led Tenders only)
- The Post Room (for CCC led Tenders only)

6.3 Hard copy responses received (by the departments identified in rule 6.2) must be date stamped and locked away until the specified time for their opening and a record of the Tenders received must be signed for and logged on the Tender record book.

6.4 All opened hard copy Tenders must be:

- Opened in the presence of a representative from the Central Legal Team and the Officer (NCC Officers only).
- Opened by two representatives from the Post Room and the Officer (CCC Officers only).
- Date stamped and signed by the Officer at the time of opening on the page containing the overall Contract value, alternatively on the pages containing the price information where no overall value is quoted.
- Logged on the Tender record book

6.5 After Tender opening a copy of the Tender Control Form and the opened Tender should be sent to the Officer responsible for the procurement.

6.6 An original version of the winning Tender must be retained for the period and comply with the Council’s document retention policy.

6.7 The Officer must not disclose the names of Candidates to any staff involved in the receipt, custody or opening of Tenders.

6.8 Details of expected Tender responses that are submitted as hard copies must be notified to the Central Legal Team or their nominee at least five days prior to the Tender opening date using the Tender Control Form on the Central Procurement Team’s intranet page.

7 Receiving Late Tenders, Irregular Tenders or Errors in Tenders

7.1 Where a Tender has been received which is an Irregular Tender in that it does not fully comply with the instructions given in the Invitation to Bidders, the Officer shall, prior to opening any of the Tenders, report this to his/her Chief Officer giving details of the Irregular Tender. The appropriate Chief Officer, with the prior approval of the Monitoring Officer may accept the Irregular Tender if they determine that the Bidder has gained no unfair advantage from its irregularity. The Chief Officer shall record in writing the reasons why each Irregular Tender has been accepted or rejected and sign and date the record.

7.2 The appropriate Chief Officer, with the prior approval of the Monitoring Officer may permit a Bidder to correct an error or omission that, in the opinion of the Chief Officer, is an obvious one and if they determine that the Bidder has gained no unfair advantage from correcting the error. Any such corrections will be recorded on the Tender file. The Chief Officer shall record in writing the reasons why each Irregular Tender has been accepted or rejected and sign and date the record.
7.3 Where a Tender has been received which is deemed to be late (has passed the Tender response deadline) the Officer shall prior to opening any of the Tenders report this to his/her Chief Officer giving details surrounding the circumstances of the late Tender. The Chief Officer with the prior approval of the Monitoring Officer may accept the Irregular Tender if they determine that the Bidder has gained no unfair advantage from it being late.

7.4 Officers must ensure that experts or appropriately experienced officers in the Council evaluate all tenders in accordance with the pre-determined evaluation Criteria which must have been specified in the Invitation to Tender and where used the prequalification Criteria.

8 Tender Evaluation

8.1 Tenders must be assessed in accordance with the pre-determined evaluation Criteria.

8.2 The results of the Tender evaluation must be recorded and retained on the Tender file.

8.3 The evaluation process must clearly demonstrate that the Council is seeking to identify the Value for Money Tender. Further guidance on evaluation can be found in the Council’s Procurement Best Practice Guidance available on the intranet.

8.4 The arithmetic in compliant Tenders must be checked. If arithmetical or clerical errors are found they should be notified to the Bidder, which should be requested to confirm the correct figures/wording or withdraw its Tender.

8.5 In determining the relevant evaluation Criteria on which Tenders are to be assessed Officers must consider, where pertinent, all factors relevant to their requirements including environmental and social considerations.

8.6 For details of Tendering evaluation and award Officers must consult with the Council’s Procurement Best Practice Guidance available on the intranet.

9 Seeking Clarification

9.1 Providing clarification of an Invitation to Tender to potential or actual Candidates or seeking clarification of a Tender whether in writing or by way of a meeting is permitted only with the approval of the Central Procurement Team.

9.2 Clarifications are not opportunities to conduct major negotiations.

9.3 For all Tenders, Officers shall take into account the requirements of EU public procurement legislation and their regulations for any negotiations, clarifications or refinements to any Tender and related documentation.

9.4 Officers may, in consultation with the Central Procurement Team, and with the approval of the Central Legal Team, make clarifications and/or refinements to the Invitation to Tender and related documentation where a Tender process provides for this, provided that all such clarifications and/or refinements are recorded in writing by an Officer of the Council. There must be no significant variation of the Invitation to Tender or related documentation.

9.5 Full written records of all clarification decisions must be made and retained by the relevant officer.
10 Negotiations

10.1 Post-Tender negotiation means negotiations with any Bidder after submission of a Tender and before the award of the Contract with a view to obtaining an adjustment in price, delivery or content. Any such discussion must be conducted in line with the relevant EU Procedure and must not distort competition particularly with regard to price.

10.2 Where post-Tender negotiation results in a significant change to the specification (or Contract terms) the Contract must not be awarded but re-Tendered.

10.3 Approval must be granted from the Head of the Central Procurement Team or any of his/her nominated officers:
   - Wherever it is proposed to enter into post-Tender negotiation, and
   - About whether negotiation is to be with all Bidders

10.4 Negotiations must be conducted by a team of at least two officers, one of whom must be from the Central Procurement Team.

10.5 The Officer must refer to the Council’s Procurement Best Practice Guidance available on the intranet.

10.6 Full written records of all decisions must be made and retained by the Officer.

11 Intention to Award a Contract

11.1 For Contracts that are subject to the Light Touch requirements and threshold of the EU Procurement Regulations, Officers must allow Bidders a mandatory minimum standstill period of 10 calendar days for electronic Tenders (otherwise 15 days for non-electronic Tenders) from notification to all Bidders before entering into a contractually binding agreement with the successful Bidder. The Officer must consult with the Central Procurement Team to submit an EU Contract Notice at the start of the Procurement process and a Contract Award Notice at the end of the process. It is most important that any communication with the preferred supplier(s) does not constitute a Contract award or a conditional award. The Central Legal Team or Central Procurement Team can advise on this.

11.2 The results of the Tender evaluation process must be recorded in writing.

11.3 A Contract must only be awarded and signed by an Officer authorised to do so, who must ensure that the appropriate budget holder has the funds in place to sustain the Contract prior to award. Following the standstill period an OJEU award notice must be placed by the Council’s Central Procurement Team.

11.4 For Tenders above the EU Thresholds all Bidders must be notified in writing of the award. Guidance must be sought from the Central Procurement Team.

11.5 Any complaints from unsuccessful Bidders must be sought in writing and Officers must submit these to the Central Procurement Team for review. Guidance on debriefing candidates or Bidders can be found in the Council’s Procurement Best Practice Guidance available on the intranet. Procurement must be notified immediately of any challenge to a procurement process, in order that appropriate action may be taken.

11.6 If requested by a candidate, the Officer may also give the debriefing information to Candidates who were deselected in a pre-Tender short listing process.
12 Award & Placing of Contract

12.1 The Contract must be recorded on the Council’s Central Contracts Register immediately after award as per rule 13 of this section.

12.2 All Contracts made on behalf of the Council must be in writing and cannot be made by an email. Chief Officers must ensure that a signed Contract is in place before the goods are ordered or works or services begin.

12.3 Officers must ensure that all the necessary permissions are in place (e.g. funding commitments, licences, and leases) before the Contract is entered into.

12.4 Officers must ensure that the terms and conditions of the Contract are appropriate for the purpose and if in any doubt must take advice from the Central Legal Team.

12.5 Records of all procurement activity must be retained in accordance with the Council’s retention policy.

12.6 Agreements must only be signed by Chief Officers and Officers with the delegated authority to do so. Please see the table in Appendix 2.

12.7 The Officer responsible for securing signature must ensure that the person signing on behalf of the supplier has authority to bind it.

12.8 Where Contracts are completed by each side adding their formal seal, the fixing of the Council’s Seal must be witnessed by or on behalf of the Central Legal Team. Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the seal. The seal must not be affixed without the appropriate authority in accordance with the Council’s Constitution. A Contract must be sealed where:

- The Council may wish to enforce the Contract more than six years after its end (e.g. Land or construction works or
- The price paid or received under the Contract is a nominal price and does not reflect the value of the goods, services or works; or
- Where there is any doubt about the authority of the person signing on behalf of the supplier; or
- The Total Value exceeds £100,000.

12.9 No supply of goods, services or works must commence until all Contract documentation is duly completed unless an exemption has been requested and approved in accordance with these rules.

12.10 Where the Total Value of the Contract exceeds £25,000 a record of the contract award must be made on the Council’s Tender Advertising Portal.

13 Contracts Register

13.1 The Council has a Central Contracts Register accessible via the Central Procurement Team’s pages of the intranet.
13.2 The Officer must ensure all new and existing Contracts with a value equal to or exceeding £25,000 and up to £100,000 for its department are entered on the register at the time of the Contract award and ensure that the register is updated if these details change in accordance with the guidance stated on the intranet.

13.3 The Central Procurement Team will enter any Contracts equal to or over £100,000.

14 Contract Documentation

14.1 Every Contract must have an order raised using the Council’s purchase to pay software solution. This will have the effect of recording commitments, which will be reported in the Council's financial management reports.

14.2 The advice of the Central Legal Team must be sought for the following Contracts:
  • Those involving leasing arrangements
  • Where it is proposed to use the supplier's own terms
  • Where the Total Value exceeds £100,000
  • Those which are complex in any other way

14.3 Officers must ensure that they obtain a written Contract for all goods, services or works.

14.4 A letter or an email exchange can constitute a Contract and therefore Officers should be careful to avoid accidental or premature contractual agreements occurring.

14.5 A verbal commitment can equally constitute a Contract therefore the Officer must use caution as to what he/she commits to.

14.6 Advice on which form of Contract would be most suitable for the procurement can be sought from the Central Procurement Team and the Central Legal Team.

14.7 Contracts must not be split into smaller value agreements to avoid having to meet the Tendering and contractual requirements imposed for larger Contracts by these rules/ regulations or the law.

14.8 The Council may wish to enter into “nil value Contracts”, for example where the supplier receives payment from a third party, or where the supplier receives non-monetary benefits. Nevertheless, any such Contract must be let in accordance with these rules and Officers should seek the advice of the Central Legal Team in these cases.

15 Bonds, Parent Company Guarantees and other Sureties

15.1 The Officer must consult the Section 151 Officer:

When a Candidate is not a subsidiary of a parent company the following conditions must be satisfied as to whether a Bond is needed:

  • where the Total Value exceeds £500,000, or
  • where it is proposed to make stage or other payments in advance of receiving the
whole of the subject matter of the Contract, or

- Where there is concern about the stability of the supplier regardless of value.

15.2 The Council must never give a Bond or other sureties.

16 Managing Contracts

16.1 The Chief Officer must name a Contract Manager for each new Contract. All Contracts must have a named Contract Manager for the entirety of the Contract and these must be recorded on the Council’s Central Contracts Register.

17 Risk Assessment & Contingency Planning

17.1 The Council operates a risk management approach designed for the identification and appropriate management of any risks which might prevent the Council from achieving their priorities or outcomes. Contracting represents a significant risk to the Councils both in terms of finance and enabling the Councils to function effectively.

17.2 Contract Managers are therefore required to consider if there are any significant risks to key Contracts which might adversely impact on Contract cost or delivery. Such risks should be recorded on team/service/directorate risk registers as necessary and should indicate how the risks are being, or are proposed to be, managed to bring the risk to a level acceptable to the Council. This approach will make any key contracting risks visible and ensure they are managed in accordance with Risk Management policy.

17.3 Guidance on risk management can be obtained from the Council’s pages of the intranet.

18 Contract Monitoring, Evaluation and Review

18.1 All Contracts which have a value higher than the EU Threshold, or which are high-risk, are to be subject to formal reviews between the Officer and the supplier.

18.2 During the life of the Contract the Officer must monitor in respect of

- Performance
- Compliance with specification and Contract
- Cost
- Any Value for Money requirements
- User satisfaction and risk management
- In accordance with any guidance in the Council’s Procurement Best Practice Guidance available on the intranet.
19 Purchase Orders

19.1 Unless specially agreed by Finance and Procurement, the cost of every Contract must be entered as a requisition on the Council’s Finance System.

19.2 Once a Purchase Order is generated from the requisition, any invoices received in respect of that order will be recorded against it so that the ‘committed value’ of the order reflects the Contract value outstanding.

19.3 Purchase orders must be updated where there has been a variation to a Contract that might contradict the purchase order. Further guidance regarding the Council’s finance is provided in the Finance pages of the intranet.

19.4 Purchase orders must not be raised retrospectively. Work must not be carried out nor goods delivered, nor services provided prior to a purchase order being raised. The only exception should be an Emergency.

19.5 The Purchase order raised that relates to a Contract must not be sent to the supplier if the terms and conditions are agreed in separate a Contract. Where a purchase order must be sent to the supplier, the purchase order must state that the Council’s Contract’s terms and conditions prevail over the purchase order terms and conditions.

20. Variations

20.1 A variation to a Contract may involve (i) a change to the specification, (ii) a one-off item of work or particular service, or (iii) material change in terms affecting the Contract. If an Officer wishes to vary a Contract, the Central Legal Team must be consulted and the changes if permitted will normally be made using a Deed of Variation or Variation Order, which will be contractually binding on both parties.

20.2 The Officer must always consider whether the Total Value is such that the Contract should be re-Tendered. The Officer should seek advice from the Central Procurement Team.

20.3 A variation to a Contract does not need to be Tendered where:

- a Contract has been entered into for goods, services and or works on a particular project; and
- additional or unforeseen goods, services and or works occur on the same project; or
- an extension of such goods, services and or works is required for the completion of that Contract, and the existing supplier has provided the price in writing for the additional or unforeseen goods, services and or works provided in all cases that: the Officer, Central Procurement Team and the relevant Chief Officer certify that it is in the interests of the Council to agree the variation and that such a variation is compliant with EU Procedures. Advice upon agreeing a variation should always be sought from the Central Legal Team.

20.4 The Variation to the Contract must state the period of notice for implementing variations.

20.5 Where variations may cause the original Contract Total Value to be exceeded by 50%, the Central Procurement Team must be consulted in writing.
20.6 All variations should be kept with the original Contract and once agreed, all variations on Contracts with a Total Value of £25,000 or more must be noted on the Central Contracts Register.

20.7 The Financial Procedure Rules and related regulations must be followed when agreeing Contract variations.

21. Extensions

21.1 In certain situations, the duration of the Contract may be extended. Extensions can only be made where:

- there is budgetary provision; and
- Value for Money can be clearly demonstrated; and
- there is a provision stipulated in the original Contract for a extension; or
- An exemption request is made where no specific provision exists in the Contract.

21.2 If the Contract was subject to EU Procedures, then for an extension to the Contract to be permitted the original advertisement and the Contract must permit the extension. It is not possible to extend the Contract if an extension provision was not in place from the outset of the Tendering process.

21.3 All Contract extensions where the Total Value of the Contract as extended will be £25,000 or more must be included in the Council’s Central Contract Register.

22. Assignments and Novations

22.1 If an Officer becomes aware that an existing supplier has or may be subject to a company reorganisation, where they may be taken over or merged with another company or simply assigned to a other or even otherwise disposed of, the advice of the Central Legal Team should be sought.

22.2 Any proposed assignment, novation or disposal must be referred to the Central Legal Team for advice. Any assignment or novation of a Contract must be recorded by the Officer on the Council’s Central Contract Register.

23. Receivership/Liquidation

23.1 In the event of the Officer becoming aware that a supplier is entering into a change of control, insolvency, bankruptcy, receivership or liquidation the Officer must inform both the Central Procurement Team and the Central Legal Team immediately. The supplier shall only be permitted to assign, novate or otherwise dispose of its rights and obligations under the Contract or any part thereof with the prior written consent of the Council. The Council reserves the right to decline a supplier that is deemed to be not suitable. If a suitable alternative is not identified the Contract must be re-Tendered.

24. Claims & Disputes

24.1 The Officer must consult the Central Legal Team immediately in regard to the making of or receipt of any Contract claims (e.g. for breach of Contract or disputes) and refer also to the Financial Procedure Rules.
25. **Termination of Contract**

25.1 The date on which the Contract will terminate, and the terms on which the Contract may be terminated early (e.g., for breach of Contract) must be clearly described within the Contract. Only the body/individual who approved the Contract award can agree to implement any provision for early termination. Termination may be a Key Decision and require the relevant Committee approval appropriate to the nature of the Contract (CCC Officers only) or Cabinet approval (NCC Officers only).

26. **Freedom of Information and Data Protection Acts**

26.1 The Council has specific obligations under the above acts regarding disclosure of information and the Officer has an obligation to record and maintain accurate records relating to Contracts and comply with requests under these Acts. Any queries regarding Freedom of Information or Data Protection should be referred to the Data Protection/FOI Team.

26.2 During Tender processes, Bidders must be informed that they should state if any of the information supplied by them is confidential or commercially sensitive or should not be disclosed in response to a request for information made to the Council. Bidders should state why they consider the information to be confidential or commercially sensitive. This will not guarantee that the information will not be disclosed but will be examined in the light of the exemptions provided in the Act.

27 **Retention of Records**

27.1 The Officer must keep and maintain records in respect of each Contract (from the time the project begins until the point at which the Contract is awarded or a decision is made not to award a Contract) in order to demonstrate the achievement of Value for Money, openness, probity and compliance with the Rules.

27.2 The Officer must ensure that originals and copies of all Contract documentation adhere to the Council’s retention policy available on the Central Procurement Team’s intranet pages. The Officer must ensure that he/she has no conflict of interest and must report in writing where he/she suspects a conflict of interest in compliance with the Council’s HR policy.

27.3 For more information on specific retention dates please refer to the procurement retention policy on the Central Procurement Team’s pages of the intranet.

28 **Disposal of Goods**

28.1 Please see the Council’s disposal policy on Central Procurement Team’s pages of the intranet.

29 **Amendments to these Rules**

29.1 The Monitoring Officer in consultation with the Head of the Central Procurement Team shall have the power to make incidental amendments from time to time to these rules.

------------------------------------------ End of Part 3 ------------------------------------------
### Appendix 1 Definitions

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agent</td>
<td>means a person or organisation acting on behalf of the Council or on behalf of another organisation. An entity that is capable of action or who acts for, or in the place of, another (the Principal).</td>
</tr>
<tr>
<td>Bidder</td>
<td>means a potential supplier, vendor or organisation who responds to an invitation to bid, tender or quote. Also called offeror, Bidder or quoter.</td>
</tr>
<tr>
<td>Bond</td>
<td>Means a type of surety, if the supplier does not do what it has promised under a Contract with the Council, the Council can claim from the insurer the sum of money specified in the Bond (often 10% of the Contract value). A Bond is intended to protect the Council against a level of cost arising from the supplier’s failure.</td>
</tr>
<tr>
<td>Cabinet</td>
<td>means the Council’s Cabinet as defined in the Constitution.</td>
</tr>
<tr>
<td>Candidate</td>
<td>means any person who asks or is invited to submit a Quotation or Tender.</td>
</tr>
<tr>
<td>CBC</td>
<td>means a Central Buying Consortium. The Central Buying Consortium is currently the largest local authority purchasing consortium in the UK. It currently has 17 local authority members, represents most of the major authorities from the Midlands to the South East, outside London.</td>
</tr>
<tr>
<td>CCC</td>
<td>means Cambridgeshire County Council.</td>
</tr>
<tr>
<td>Chief Officer</td>
<td>means the Council Officer(s) defined as such in the Constitution.</td>
</tr>
<tr>
<td>Code of Conduct</td>
<td>means the code regulating conduct of Officers located on the Council's intranet.</td>
</tr>
<tr>
<td>Committee</td>
<td>means a committee as defined in the Constitution, which has power to make decisions for the Council, for example a joint committee with another local authority but not a scrutiny committee.</td>
</tr>
<tr>
<td>Council</td>
<td>means as defined in the Council’s Constitution. The rules refer to either Northamptonshire County Council or Cambridgeshire County Council depending on whom the Officer is employed by.</td>
</tr>
<tr>
<td>Criteria</td>
<td>means the criteria by which the successful Quotation or Tender is to be selected at selection stage or awarded a Contract at award stage.</td>
</tr>
<tr>
<td>Central Contract Register</td>
<td>means a register process managed by the Central Procurement Team that stores details of the Council’s Contracts such as duration and expiry dates. The register is currently available on the Procurement pages of the Council’s intranet.</td>
</tr>
<tr>
<td>Term</td>
<td>Definition</td>
</tr>
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<td>-------------------------------------------</td>
<td>----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Central Procurement Team</td>
<td>means the central procurement team is part of Cambridgeshire County Council’s or Northamptonshire County Council’s operating structure and is currently known as LGSS Procurement.</td>
</tr>
<tr>
<td>Central Legal Team</td>
<td>means the Central Legal Team as part of Cambridgeshire County Council’s or Northamptonshire County Council’s operating structure and is currently known as LGSS Law.</td>
</tr>
</tbody>
</table>
| Constitution                              | means the constitutional document approved by the Council which: • allocates powers and responsibility within the Council and between it and others  
• delegates authority to act to the Cabinet, Committees, Portfolio Holders and Officers; and  
• regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.          |
| Consultant                                | A Consultant or Interim Contractor means someone employed for a specific length of time to work to a defined project brief with clear outcomes to be delivered, who brings specialist skills, advice or knowledge to the role and where the Council has no ready access to employees with the skills, experience or capacity to undertake the work. They are typically engaged to fulfil a brief in terms of helping to find solutions to specific issues for a limited time. This is different to temporary agency staff who normally fulfil a role that usually exists within the organisation or helping to bridge a gap caused by staffing shortages for whatever reason. |
| Contract                                  | means an agreement between two or more parties for performing, or refraining from performing, some specified act(s) in exchange for lawful consideration.                                                                |
| Contract Manager                          | Means an Officer of the Council who is responsible for the contract in terms of the document and the relationship between the Council and the named parties within the Contract.                              |
| Contracting Authority/Authorities         | means the organisation which is letting the Contract in question.                                                                                                                                         |
| Contracting Decision                      | means any of the following decisions:  
• withdrawal of Invitation to Tender  
• whom to invite to submit a Quotation or Tender  
• short listing  
• award of Contract  
• any decision to terminate a Contract.                                                                                                              |
<p>| Corporate Contract                        | means a Contract let by the Central Procurement Team for the benefit of Council staff to support the Council’s aim of achieving Value for Money. Where a Corporate Contract is in place, the Officer is obliged to use it unless an exemption has been granted. |
| Council                                   | means for the purposes of these rules, “Council” or the Council refers to Cambridgeshire County Council (CCC) and/or Northamptonshire County Council (NCC) as the case may be. |
| <strong>Emergency</strong> | means a serious situation or occurrence that happens unexpectedly and demands immediate action. A condition of urgent need for action or assistance that cannot be remedied by standard procedure. An emergency for the purpose of this document must be agreed as an emergency by the Officer, Chief Officer, Monitoring Officer and a Section 151 officer. |
| <strong>ESPO</strong> | means the Eastern Shires’ Purchasing Organisation of which Cambridgeshire County Council is a Member. |
| <strong>ESPO Catalogue</strong> | means ESPO catalogues offer over 25,000 product lines for Cambridgeshire County Council staff. For the purpose of this document, ESPO Catalogues do not include use of ESPO strategic procurements or ESPO range of frameworks or Dealing Direct offerings. The current site is <a href="http://www.espocatalogue.org/">www.espocatalogue.org/</a> |
| <strong>E-Tendering</strong> | means a totally secure means to store and transmit Expression of Interest (EOI) Invitation to Tender (ITT) and other relevant documentation (e.g. Invitations to Submit Outline and Detailed Proposals and Best and Final Offers) and then to receive and manage responses electronically via the Internet. Any process used must be compliant with HMG Information Security Standards, the requirements of the Manual of Protective Security (MPS) and all UK legislation relevant to the processing of information. |
| <strong>E-Tender Portal</strong> | means a tool used to host and platform Tendering processes and related documentation electronically by the Council. Currently the Council’s E-tender portal is Bravo Solution. |
| <strong>EU Procedure</strong> | means the procedure required by the EU where the Total Value exceeds the EU Threshold. For the purpose of this document this includes Part A and Part B procedures without distinction unless specifically stated in the rules. |
| <strong>EU Threshold</strong> | means the Total Value threshold at which EU public procurement directives must be applied. The current procurement thresholds are published on The latest thresholds and regulations can be found at the following site <a href="http://www.ojeu.eu/Thresholds.aspx">http://www.ojeu.eu/Thresholds.aspx</a> . |
| <strong>Evaluation Report</strong> | means a report produced by the Officer detailing the outcome of the evaluation process undertaken, from which a recommendation is put forward for approval by the Chief Officer. |
| <strong>Exemption Request Form</strong> | means a standard form that must be used to request an exemption from these rules which can be found on the Central Procurement Team's intranet pages. |
| <strong>Financial Procedure Rules</strong> | means the Council’s financial procedure rules that form part of the Council’s Constitution. |
| <strong>Financial Regulations</strong> | means the financial regulations outlining Officer responsibilities for financial matters issued by the Section 151 Officer in accordance with the Constitution. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Finance System</td>
<td>means the Council’s software systems providing the necessary tools to run a business in the areas of Financial Management, Human Resources and extended Supply Chain operations for Finance and Human Resources purposes. At NCC this is known as ERP. At CCC this is known as E-Business Suite. Also referred to as Oracle or R12.</td>
</tr>
<tr>
<td>Formal Request for Quotation*</td>
<td>means a template document to be used by Officers for obtaining formal quotations and found on the Central Procurement Team’s intranet page.</td>
</tr>
<tr>
<td>Framework Agreement</td>
<td>means agreement between one or more Contracting Authorities and one or more economic operators, the purpose of which is to establish the terms governing call-off Contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.</td>
</tr>
<tr>
<td>Government Procurement Services (GPS)</td>
<td>means a national purchasing organisation who award frameworks for use across the public sector.</td>
</tr>
<tr>
<td>GPC Card</td>
<td>means a purchasing card (similar to the common credit card) for the purchase of low value goods and services for use in the Council as detailed on the Central Procurement Team’s intranet pages.</td>
</tr>
<tr>
<td>Irregular Tender</td>
<td>means a Tender, which is received after the appointed time for receipt or contains a mark of identification.</td>
</tr>
<tr>
<td>Key Decision</td>
<td>means decisions that are defined as Key Decisions in the Constitution. Refer Article 13 NCC and Article 14 CCC.</td>
</tr>
<tr>
<td>Local</td>
<td>means for Cambridgeshire Officers areas covered by the Cambridgeshire LEP see <a href="http://www.yourlocalenterprisepartnership.co.uk/">http://www.yourlocalenterprisepartnership.co.uk/</a>. For NCC Officers areas covered by the Northamptonshire LEP at <a href="http://www.northamptonshireep.co.uk/location-why-northamptonshire/northamptonshire-local-economic-partnership">http://www.northamptonshireep.co.uk/location-why-northamptonshire/northamptonshire-local-economic-partnership</a>. An organisation that is not local in it’s address but can help Local economy/employment within the areas covered by the LEP may be included in this definition.</td>
</tr>
<tr>
<td>Light Touch</td>
<td>A new descriptor within the EU Procurement Contracts Regulations 2015 that identifies specific categories within the public sector for exemption from some of the EU Procurement Regulations’ requirements.</td>
</tr>
<tr>
<td>Member</td>
<td>means a member of the Council elected to provide political leadership to the Council.</td>
</tr>
<tr>
<td>Monitoring Officer</td>
<td>means as identified in the Council’s Constitution.</td>
</tr>
<tr>
<td>NCC</td>
<td>means Northamptonshire County Council.</td>
</tr>
<tr>
<td><strong>Non-Commercial Considerations:</strong></td>
<td>means that under Part II of the Local Government Act 1988 (LGA 1988) it is the duty of every local authority to exercise relevant functions without reference to non-commercial matters and to avoid the inclusion of non-commercial matters within contract documentation. These non-commercial matters are listed in section 17(5) of the LGA 1988.</td>
</tr>
<tr>
<td><strong>Officer</strong></td>
<td>means the Officer designated by the Chief Officer to deal with the Contract in question.</td>
</tr>
<tr>
<td><strong>Open Tender Procedure</strong></td>
<td>means one stage Tender process whereby all candidates are invited to bid in response to advertisement.</td>
</tr>
<tr>
<td><strong>Parent Company Guarantee</strong></td>
<td>means a Contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a Contract with the Council, they can require the parent company to do so instead.</td>
</tr>
<tr>
<td><strong>Procurement Strategy</strong></td>
<td>means the document setting out the Council’s approach to procurement and key priorities for the next few years.</td>
</tr>
<tr>
<td><strong>Procurement Best Practice Guidance</strong></td>
<td>means the relevant procurement guidance document found on the Council’s intranet site. For CCC this is currently the Procurement Best Practice Guide. For NCC this is the Procurement SORP.</td>
</tr>
<tr>
<td><strong>Quotation</strong></td>
<td>means a quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender).</td>
</tr>
<tr>
<td><strong>Request for Quotation</strong></td>
<td>means a formal quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender).</td>
</tr>
<tr>
<td><strong>Restricted Tender Procedure</strong></td>
<td>means a Tender process that operates with two stages. The first stage is a selection stage assessing Bidder capability with the purpose of short listing Bidders for the second stage. The second stage is an award stage assessing Bidder’s responses to the requirements.</td>
</tr>
<tr>
<td><strong>Section 151 Officer</strong></td>
<td>means as identified in the Council’s Constitution.</td>
</tr>
</tbody>
</table>
| **Shortlisting** | means where candidates are selected:  
• to quote or bid or  
• to proceed to final evaluation. |
<p>| <strong>Summary Procurement Proposal</strong> | means a document used by the Central Procurement Team to confirm the strategy of a procurement activity and record existing baseline costs that will be used to calculate procurement benefits. |
| <strong>Tender</strong> | means a candidate’s proposal submitted in response to an Invitation to Tender. |
| <strong>Tender Control Form</strong> | means a record of expected Tenders, a copy of which can be found on the Central Procurement Team’s intranet pages. |</p>
<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tender Advertising Portal</td>
<td>means an Internet site that the Council have endorsed the use of for potential providers to the Council can view details of forthcoming Tender requirements of the Council. This is Contracts Finder or Source Northamptonshire.</td>
</tr>
<tr>
<td>Total Value</td>
<td>means the whole of the value or estimated value (in terms of money or equivalent value) for a single purchase, whether or not the purchase comprises several lots or stages across the Council as a whole and whether or not it is to be paid or received by the Council or a discrete operational unit within the Council.</td>
</tr>
<tr>
<td>TUPE</td>
<td>means the Transfer of Undertaking (Protection of Employment) Regulations 2006. These regulations were introduced to ensure the protection of employees when, for example, a business is taken over by another organisation. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the service.</td>
</tr>
<tr>
<td>Value for Money</td>
<td>means Value for Money (VfM). VfM is a term used to explain the relationship between cost and quality. It is not necessarily the lowest possible price as it combines goods or services that fully meet your needs, with the level of quality required, delivery at the time you need it, and at an appropriate price.</td>
</tr>
</tbody>
</table>
## Appendix 2 Summary of Procurement Thresholds

<table>
<thead>
<tr>
<th>Value of Contract</th>
<th>Purchase Decision</th>
<th>Advertising</th>
<th>Procurement Process</th>
<th>Approval / Signature of Contract</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goods, services and works up to £2,000</strong></td>
<td>Officer.</td>
<td>Desirable but not mandatory</td>
<td>Obtain Best Value. Multiple Quotations not necessary.</td>
<td>Contract approved by Purchase Order.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Goods, services and works from £2,000 up to £25,000.</strong></td>
<td>Officer.</td>
<td>(NCC) Desirable but not mandatory</td>
<td>Obtain at least 3 Written Quotations (2 Local quotes).</td>
<td>Contract approved by Purchase Order.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td>(CCC) Must use the Council’s Tender Advertising Portal Advertising mandatory £10,000 or more</td>
<td></td>
<td>Written Contract only required where complex requirements signed by Officer with appropriate authority or Purchase Order issued.</td>
</tr>
<tr>
<td><strong>Goods, services and works from £25,000 up to £100,000.</strong></td>
<td>Officer.</td>
<td>Must use the Council’s Tender Advertising Portal for advert notice and award notice.</td>
<td>Obtain at least 3 Written Quotations (2 Local quote) using formal RFQ process.</td>
<td>Purchase Order raised not issued.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td></td>
<td></td>
<td>Written contract signed by 1 Chief Officer or Officer with appropriate authority to enter into a Contract.</td>
</tr>
<tr>
<td><strong>Goods, services and works from £100,000 up to EU Threshold.</strong></td>
<td>Officer and The Central Procurement Team.</td>
<td>Must use the Council’s Tender Advertising Portal for advert notice and award notice.</td>
<td>Obtain at least 3 Tenders using formal Tender process.</td>
<td>Purchase Order raised not issued.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td></td>
<td></td>
<td>Written contract signed by One Chief Officer or Officer with appropriate authority to enter into a contract.</td>
</tr>
<tr>
<td><strong>Goods, services and works from EU Threshold and over</strong></td>
<td>Officer and The Central Procurement Team.</td>
<td>Must use The Council’s Tender Advertising Portal for advert notice and award notice.</td>
<td>All EU Notices to be published by the Central Procurement Team.</td>
<td>Purchase Order raised not issued.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td>All EU Notices must be issued by Central Procurement Team.</td>
<td>Obtain at least 3 Tenders using formal tender process.</td>
<td>Written Contract signed by 1 Chief Officer or Officer with appropriate authority to enter into a Contract.</td>
</tr>
<tr>
<td><strong>Goods, services and works using a Framework Agreement</strong></td>
<td>Officer (and Central Procurement Team if over £100,000)</td>
<td>N/A</td>
<td>Follow call-off procedure within Framework Agreement.</td>
<td>Purchase Order raised not issued.</td>
</tr>
<tr>
<td>If “Key Decision” Relevant Committee approval (CCC)/ Cabinet approval (NCC).</td>
<td></td>
<td></td>
<td></td>
<td>Written contract created from Framework Agreement.</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Signoff as per above thresholds.</td>
</tr>
</tbody>
</table>
OFFICER EMPLOYMENT PROCEDURE RULES

1. Recruitment and Appointment

(a) Declarations

(i) The Council will draw up a statement requiring any candidate for appointment as an officer to state in writing the name and job title of any relative, friend or acquaintance employed by Cambridgeshire County Council.

(ii) No candidate so related to a Councillor or an officer will be appointed without the authority of the relevant chief officer or an officer nominated by him/her.

(b) Seeking support for appointment

(i) Subject to paragraph (iii), the Council will disqualify any applicant who directly or indirectly seeks the support of any Councillor for any appointment with the Council. The content of this paragraph will be included in any recruitment information.

(ii) Subject to paragraph (iii), no Councillor will seek support for any person for any appointment with the Council.

(iii) Nothing in paragraphs (i) and (ii) above will preclude a Councillor from giving a written reference for a candidate for submission with an application for appointment.

2. Recruitment of Chief Executive, Executive Directors, Corporate and/or Service Directors

Where the Council proposes to appoint a Chief Executive, Executive Director, Corporate and/or Service Director and it is not proposed that the appointment be made exclusively from among their existing officers, the Staffing and Appeals Committee will:

(a) Draw up a statement specifying:

(i) the duties of the officer concerned;
(ii) any qualifications or qualities to be sought in the person to be appointed;
(iii) the terms and conditions; and
(iv) the remuneration package.

(b) Make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it.
(c) Make arrangements for a copy of the statement mentioned in paragraph (a) to be sent to any person on request.

3. **Appointment of Chief Executive**

   (a) The Full Council will approve the appointment of the Chief Executive following the recommendation of such an appointment by the Staffing and Appeals Committee. That committee shall comprise no more than 11 members of the Council;

   (b) The Full Council may only make or approve the appointment of the Chief Executive where no well-founded objection has been made by any member of the Staffing and Appeals Committee.

4. **Appointment of Executive Directors, Corporate and/or Service Directors**

   (a) The Staffing and Appeals Committee of the Council will appoint Executive Directors, Corporate and/or Service Director. That committee shall comprise of no more than 11 members of the Council;

   (b) An offer of employment as an Executive Director, Corporate and/or Service Director shall only be made subject to satisfactory references and pre-employment checks;

   (c) For the purposes of these Procedure Rules, Executive and Corporate Directors are those named in Article 11. Service Directors are senior managers who report directly to the Executive Directors and who are members of the Corporate Leadership Team of senior managers of the Council as determined by the Chief Executive from time to time.

   (d) Where a reorganisation affects the structure/numbers of Executive Directors, Corporate and/or Service Directors posts, posts in the new structure will be filled in line with the enabling process agreed at the time. Any competitive interviews will be carried out by the Staffing and Appeals Committee in accordance with the enabling process

5. **Other Appointments**

   (a) **Appointment of Managing Director: LGSS.** The Managing Director: LGSS and Service Directors: LGSS will be appointed in accordance with procedures agreed by the LGSS Joint Committee.

   (b) **Officers below Corporate or Service Director level.** The appointment of officers below Corporate or Service Director level (other than assistants to political groups) is the responsibility of the Head of Paid Service or his/her nominee, and may not be made by Councillors;
(c) **Assistants to Political Groups.** Appointment of an assistant to a political group shall be made in accordance with the wishes of that political group and in line with legislative requirements.

6. **Dismissal and Disciplinary Action**

(a) In the case of dismissals, the Staffing and Appeals Committee will hear the case against the Head of Paid Service, Monitoring Officer and Chief Finance Officer concerned and the hearing will be conducted in accordance with the Council’s Disciplinary Procedure.

(b) In the following paragraphs--

(i) "the 2011 Act" means the Localism Act 2011;

(ii) "chief finance officer", "disciplinary action", "head of the authority's paid service" and "monitoring officer" have the same meaning as in regulation 2 of the Local Authorities (Standing Orders) (England) Regulations 2001;

(iii) "independent person" means a person appointed under section 28(7) of the 2011 Act;

(iv) "local government elector" means a person registered as a local government elector in the register of electors in the authority's area in accordance with the Representation of the People Acts;

(v) "the Panel" means a committee appointed by the authority under section 102(4) of the Local Government Act 1972 for the purposes of advising the authority on matters relating to the dismissal of relevant officers of the authority;

(vi) "relevant meeting" means a meeting of the authority to consider whether or not to approve a proposal to dismiss a relevant officer; and

(vii) "relevant officer" means the chief finance officer, head of the authority's paid service or monitoring officer, as the case may be.

(c) A relevant officer may not be dismissed by an authority unless the procedure set out in the following paragraphs is complied with.

(d) The authority must invite relevant independent persons to be considered for appointment to the Panel, with a view to appointing at least two such persons to the Panel.

(e) In paragraph (d) "relevant independent person" means any independent person who has been appointed by the authority or, where there are fewer than two such persons, such independent persons as have been appointed by another authority or authorities as the authority considers appropriate.
(f) Subject to paragraph (g), the authority must appoint to the Panel such relevant independent persons who have accepted an invitation issued in accordance with paragraph (d) in accordance with the following priority order:

(i) a relevant independent person who has been appointed by the authority and who is a local government elector;
(ii) any other relevant independent person who has been appointed by the authority;
(iii) a relevant independent person who has been appointed by another authority or authorities.

(g) An authority is not required to appoint more than two relevant independent persons in accordance with paragraph (f) but may do so.

(h) The authority must appoint any Panel at least 20 working days before the relevant meeting.

(i) Before the taking of a vote at the relevant meeting on whether or not to approve such a dismissal, the authority must take into account, in particular—

(a) any advice, views or recommendations of the Panel;
(b) the conclusions of any investigation into the proposed dismissal; and
(c) any representations from the relevant officer.

(j) Any remuneration, allowances or fees paid by the authority to an independent person appointed to the Panel must not exceed the level of remuneration, allowances or fees payable to that independent person in respect of that person’s role as independent person under the 2011 Act.

7. Appointment, Dismissal and Management of all other Employees

(a) The appointment, dismissal and management of employees (except the Head of Paid Services, Monitoring Officer and Chief Finance Officer) including disciplinary action will be carried out by properly authorised officers of the Council in line with the Recruitment and Selection Policy, other employment policies and procedures agreed by the Council and in compliance with statutory obligations.

(b) Councillors will not be involved in the disciplinary or dismissal of any officer below Corporate or Service Director level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, though the Council’s disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to members in respect of dismissals.