



AGENDA

For a meeting of the
COUNCIL
to be held on
THURSDAY, 25 OCTOBER 2007
at
2.00 PM
in the
**COUNCIL CHAMBER, COUNCIL OFFICES, ST. PETER'S HILL,
GRANTHAM**

Duncan Kerr, Chief Executive

Members of the Council are invited to attend the above meeting to consider the items of business listed below.

1. PUBLIC OPEN FORUM

The public open forum will commence at **2.00 p.m.** and the following formal business of the Council will commence at **2.30 p.m.** or whenever the public open forum ends, if earlier.

2. APOLOGIES FOR ABSENCE

3. DECLARATIONS OF INTEREST

Members are asked to declare any interests in matters for consideration at the meeting.

**4. MINUTES OF THE ORDINARY MEETING HELD ON 6TH SEPTEMBER 2007.
(ENCLOSURE)**

**5. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)
(ENCLOSURE)**

6. GRANTHAM GROWTH BID

A presentation will be made by the Corporate Head, Sustainable Communities and the Economic Development Portfolio Holder.

**7. CHANGES TO THE CONSTITUTION: RECOMMENDATION(S) FROM THE
CONSTITUTION COMMITTEE**

The Chairman of the Constitution Committee to submit the recommendation(s)

of the committee arising from its meeting held on 15th October 2007.
(To follow)

8. **REVIEW OF THE COUNCIL'S STATEMENT OF LICENSING POLICY**
Report number ENV390 by the Environmental Protection Service Manager.
(Enclosure)
9. **REVIEW OF FINANCIAL REGULATIONS**
Report number CHFR77 by the Corporate Head of Finance & Resources.
(Enclosure)
10. **CHILD PROTECTION POLICY**
Report number CEX381 by the Chief Executive.
(Enclosure)
11. **REPRESENTATION ON OUTSIDE BODIES**
Report number DEM006 by the Democracy Service Manager. (Enclosure)

If the contents of the exempt appendices to report CEX383 are to be discussed, the press and public may be excluded from the meeting because of the likelihood that otherwise exempt information as described below would be disclosed to the public.

12. **SKDC PENSION POLICY: "THE LOCAL SCHEME"**
Report number CEX383 by the Chief Executive.
(Enclosure)

[Appendix A to report CEX383 contains exempt information as defined in paragraph 2 of Schedule 12a of the Local Government Act 1972 (as amended). This information is confidential because is likely to reveal the identity of individuals.]

Appendix B(1)-(3) to report CEX383 contains exempt information as defined in paragraph 5 of Schedule 12a of The Local Government Act 1972 (as amended). This information is confidential because legal privilege exists.]

13. **QUESTIONS ON NOTICE**
To note the list of questions asked under Council procedure rule 11.1 as circulated at the start of the meeting and their reference to the relevant Policy Development Group.
14. **NOTICE(S) OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:**
 - (1) **By Councillor Ray Wootten**
"(1) To seek full council approval in condemning the closure of local Post Offices within the boundary of South Kesteven.

(2) I further request that a letter written by the Leader on behalf of this council be forwarded to the Post Office outlining our objections."

15. ANY OTHER BUSINESS WHICH THE CHAIRMAN, BY REASON OF SPECIAL CIRCUMSTANCES, DECIDES IS URGENT.

Note:

Deadline for notices of motion to Council on 24th January 2008: 2.00pm on Friday 11th January 2008.



MINUTES

COUNCIL

THURSDAY, 6 SEPTEMBER 2007
2.00 PM

PRESENT

Councillor Mike Taylor Chairman

Councillor Robert Adams
Councillor Ray Auger
Councillor Pam Bosworth
Councillor Christine Brough
Councillor Robert Broughton
Councillor Paul Carpenter
Councillor Mrs Frances Cartwright
Councillor Elizabeth Channell
Councillor Michael Cook
Councillor Nick Craft
Councillor Alan Davidson
Councillor John Dawson
Councillor Mike Exton
Councillor Stuart Farrar
Councillor Mrs Joyce Gaffigan
Councillor John Harvey
Councillor Robert Hearmon
Councillor Bryan Helyar
Councillor David Higgs
Councillor Trevor Holmes
Councillor Reginald Howard
Councillor Mrs Maureen Jalili
Councillor Sam Jalili
Councillor Kenneth Joynson
Councillor Mrs Rosemary Kaberry-Brown
Councillor Albert Victor Kerr
Councillor Reg Lovelock M.B.E.

Councillor Peter Martin-Mayhew
Councillor Stuart McBride
Councillor Andrew Roy Moore
Councillor Mrs. Linda Neal
Councillor John Nicholson
Councillor Alan Parkin
Councillor Mrs Margery Radley
Councillor Robert Russell
Councillor Bob Sandall
Councillor Susan Sandall
Councillor Trevor Scott
Councillor Ian Selby
Councillor John Smith
Councillor Mrs Judy Smith
Councillor Mrs Maureen Spencer-Gregson O.B.E.
Councillor Peter Stephens
Councillor Ian Stokes
Councillor Jeffrey Thompson
Councillor Frank Turner
Councillor Thomas John Webster
Councillor Andrea Webster
Councillor Graham Wheat
Councillor Mike Williams
Councillor Avril Williams
Councillor Paul Wood
Councillor Raymond Wootten

OFFICERS

Chief Executive
Strategic Director (Beverly Agass, Ian Yates)
Interim Strategic Director
Corporate Head, Finance & Strategic Resources
Corporate Head, Partnerships & Organisational Improvement

OFFICERS

Corporate Head, Corporate & Customer Services
Service Manager, Legal Services (Monitoring Officer)
Service Manager, Environmental Protection
Service Manager, Customer Services
Scrutiny Officer
Democratic Support Officer

34. PUBLIC OPEN FORUM

One question was received from Mrs Mary Patrick, Stamford.

Question

Please could you tell me what provision is being made for the severely disabled when the travel vouchers finish in December. Thank you.

Answer – Councillor Mrs Spencer-Gregson (Resources and Assets Portfolio Holder)

Thank you for your question Mrs. Patrick. If someone is severely disabled we would very much hope and encourage individuals to seek support and help provided by the government's mobility allowances. These are specifically designed to provide the help needed by severely disabled individuals in meeting their transport costs and needs. In addition, whilst our travel vouchers, which give a maximum of £28 per year in rural areas, provide some small support, we are at the moment actively reviewing alternative options to see if they do offer value for money and in addition to this, the Local Strategic Partnership have set up a task and finish group to look at transport service provision for people, those with a disability and those in rural isolation.

Supplementary question – Mrs. Patrick

The problem is when you're saying the severely disabled are provided for by the government, after 65 there is no provision because you cannot get mobility allowance, anything, after 65. And with the buses in the Lincolnshire area, including South K, each step is 15 inches high, now we bought a test case when we came to the supporting people...we tried, we tried to [push] a person on the bus and two to push him and two to drag him off and it was murder, so I don't know where these poor people and especially now that dial-a-ride's under...being done away with how people severely disabled in villages and things are going to manage. Thank you very much.

Answer – Councillor Mrs Spencer-Gregson (Resources and Assets Portfolio Holder)

Can I just add that I was at a meeting of the South Kesteven district Local Strategic Partnership yesterday and there is a review taking place of all community car schemes and we're hoping to allow amalgamate these to provide provision. Although provision is there in many of these areas, a lot of it is not identified and so we do need to have a package for the whole South Kesteven district council and that is under way and they will be reporting back in a very short while.

The Chairman advised Members of the Council that agenda items 13 and 14 would be considered directly after agenda item 5.

35. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Bisnauthsing, Chivers, J Kerr and Newcombe-Jones.

36. DECLARATIONS OF INTEREST

The Monitoring Officer advised Members that if the Council agreed to adopt the 2007 Code of Conduct during the meeting, in her opinion, they would not need to declare any interest in agenda item 12 on concessionary travel as a result of their eligibility for the scheme.

Councillor Hearmon declared a personal and prejudicial interest in agenda item 9, the review of priorities and non-priorities, on account of his employment by a charitable body.

Councillor Russell declared a personal interest in agenda item 16 by virtue of his Chairmanship of the Elsea Park Bourne Board of Trustees.

Councillor Mrs Cartwright declared a personal interest in agenda item 19 because of the susceptibility of her property to flooding.

37. MINUTES OF THE ORDINARY MEETING HELD ON 21ST JUNE 2007.

The minutes of the meeting held on 21 June 2007 were approved as a correct record subject to the addition of Councillors Cook and Mrs Kaberry-Brown to the list of attendees, and the deletion of Councillors Hearmon and Farrar from the list of attendees and their addition to the list of apologies received.

38. COMMUNICATIONS (INCLUDING CHAIRMAN'S ENGAGEMENTS)

The list of the Chairman and Vice-Chairman's engagements was attached. The Chairman reminded Members that a response regarding the civic service was required. He also stated that there would be a quiz held on 31 October 2007 at the Royal Queen pub in Grantham. Proceeds from this event would go to the Chairman's charities.

39. CHANGES TO THE CONSTITUTION: RECOMMENDATIONS FROM THE CONSTITUTION COMMITTEE

DECISION:

To approve the amendments to the Constitution as stated in minute item 2 of the minutes from the meeting of the Constitution Committee held on 16 July 2007.

The Council had before them the minutes of the Constitution Committee held on 16 July 2007, proposing amendments to the Constitution. The amendments were proposed and seconded. The Chairman of the Constitution Committee stated that the Committee aimed to make the Constitution easier to understand and more user-friendly. On being put to the vote, the motion was carried.

40. APPOINTMENTS AS REPRESENTATIVES ON OUTSIDE BODIES

DECISION:

- 1. That no amendment is made to the Constitution and the Council allows only appointments of existing Councillors.**
- 2. That Councillor Ian Stokes be appointed to serve as the District Council's representative on the Earlesfield Youth Centre Management Committee.**
- 3. That Councillor John Nicholson be appointed to serve as the District Council's representative on the Council to Protect Rural England.**
- 4. That Councillor Alan Davidson be appointed to serve as the District Council's representative on the Lincolnshire Primary School Provisions Panel.**

The Monitoring Officer introduced report number LEG006 on appointments as representatives on outside bodies. The Constitution Committee had discussed the issue and recommended that representatives on outside bodies should be drawn from Councillors only.

It was proposed and seconded that "no amendment is made to the Constitution and the Council allows only appointments from existing Councillors". Members speaking in favour of the motion stressed the importance of accountability. A suggestion was made that all representatives of the Council on outside bodies should send regular reports to the Council on the activities of that body.

Members also suggested that the appointment of Councillors would be beneficial with regard to indemnity insurance and public perception. Several members commented that non-Councillors appointed to represent the District Council on outside bodies had done good work and held a genuine interest in the bodies they served on, when historically there had been little interest from Members. It was also emphasised by some Members that appointments should be made on the basis of suitability and expertise.

An amendment was moved: "no amendment is made to the Constitution and the Council allows only appointments of existing Councillors". This was seconded. The mover of the original motion agreed to encompass the amendment in the original motion.

Further discussion ensued on accountability. Members were bound by the Code of Conduct when sitting on outside bodies, in addition to any governing documents of the body. A vote was taken on the motion, which was carried.

The decision of Council to appoint only Councillors as its representatives on outside bodies meant that there were four vacancies that needed to be filled: Deeping St. James United Charities, the Earlesfield Youth Centre Management Committee, the Council to Protect Rural England (CPRE) and the Lincolnshire Primary School Provision Panel.

DEEPING ST. JAMES UNITED CHARITIES

One Member had receipt of a letter from Deeping St. James United Charities. The letter stated that they were undertaking a review of the composition of the body. This could affect the number of representatives the Council was entitled to appoint. It was agreed that no appointment would be made pending the outcome of the structure review.

EARLESFIELD YOUTH CENTRE MANAGEMENT COMMITTEE

It was proposed and seconded that Councillor Alan Davidson should be appointed as the Council's representative on the Earlesfield Youth Centre Management Committee. A further nomination was received for Councillor Ian Stokes, which was also seconded. On being put to the vote, Councillor Stokes was duly elected as the Council's representative.

COUNCIL TO PROTECT RURAL ENGLAND

A nomination to appoint Councillor John Nicholson to the CPRE was received. The nomination was seconded and put to the vote, which was carried.

LINCOLNSHIRE PRIMARY SCHOOL PROVISIONS PANEL

Councillor Alan Davidson was proposed and as the Council's representative on the Lincolnshire Primary School Provisions Panel. On being put to the vote, Councillor Davidson was appointed.

41. LEADER'S REPORT ON URGENT KEY AND NON KEY DECISIONS

DECISION:

To note the Leader's report on urgent key and non-key decisions.

In accordance with Access to Information Procedure Rule 17.3, the Leader submitted a report on an urgent key decision taken on 2 July 2007 confirming arrangements for the processing and handling of dry recyclables. This decision was taken as a matter of urgency in order to formalise an informal arrangement as quickly as possible in order to protect the Council's service interests.

Two urgent non-key decisions had also been made. The first was made on 14 June 2007 by the Healthy Environment Portfolio Holder approving the spending of a grant from the Department of Health for the implementation of smoke prohibition legislation. This decision was taken as a matter of urgency in order to fully utilise the grant from the Department of Health, to maximise the effectiveness of this very important public health measure, and to work in partnership with other stakeholders in Lincolnshire for the optimum benefit for the population of South Kesteven.

The Corporate Governance and Housing Portfolio Holder made an urgent

non-key decision on 5 July 2007 to award a contract for the continued development of the CRM system. The decision could not reasonably have been deferred because delays in the project could have a detrimental effect on the delivery of the new national travel concession scheme.

42. MEMBERS CODE OF CONDUCT

DECISION:

This Council adopts the mandatory provisions of the Model Code of Conduct without revision to be this Council's Members' Code of Conduct with the addition of the preamble to that code setting out the 10 principles in the form attached at appendix 2 of report number LEG005.

The Chairman of the Council welcomed the Chairman and Vice-Chairman of the Standards Committee: Mr Chris Holtom and Mr Fred Mann. He thanked them on behalf of the Council for the work they had done on the Standards Committee.

The Chairman of the Standards Committee introduced report number LEG005 and the Code of Conduct for Members 2007. The Standards Committee considered the revised Code of Conduct at their meeting on 6 July 2007, and recommended that the Council adopts the mandatory provisions of the Model Code of Conduct without revision, together with the preamble to that code setting out the 10 principles.

The Council were obliged to adopt the new Code of Conduct by 1 October 2007. If not adopted by that date, the authority would be automatically covered by the revised Code of Conduct. All Members would receive training on the new Code of Conduct.

It was proposed and seconded that the Council should adopt the mandatory provisions of the Model Code of Conduct, together with the preamble to the code. On being put to the vote, this was carried.

15:05 – Councillor Martin-Mayhew left the meeting.

43. MEMBER REPRESENTATIONS ON STANDARDS COMMITTEE

DECISION:

To confirm the membership of the Standards Committee as it currently exists.

The Council had before them report number LEG007 by the Monitoring Officer. At the meeting of the Council held on 17 May 2007 appointments were made to the Standards Committee taking account of political balance. Advice from the Standards Board for England stated that there was no requirement for Standards Committees to be politically balanced.

It was moved and seconded that the composition of the Standards

Committee should not be altered.

An amendment was proposed and seconded that the Standards Committee should comprise representatives from each of the political groups within the Council. Members speaking for the amendment stressed the non-political nature of the Standards Committee. It was reported that at the last meeting of the Standards Committee, it had been decided that the Constitution Committee should be asked to look at increasing the membership of the Standards Committee. An increase in the membership would mean that all political groups could be represented. It would not be possible to increase the membership of the Committee, unless the Constitution was changed following due consideration of the issue by the Constitution Committee.

The amendment was withdrawn. A further amendment was proposed, asking the Constitution Committee to consider the number of Members appointed to the Standards Committee. The Monitoring Officer advised that the size of the Standards Committee would need to respond to emerging legislation. Only when the Local Government and Public Health Bill had been passed would demands on the membership be identified. The amendment was withdrawn. The Monitoring Officer confirmed that the composition of the existing Standards Committee was legally acceptable.

Following consideration, a vote was taken and the Council approved the existing membership of the Standards Committee.

44. REVIEW OF PRIORITIES AND NON PRIORITIES

DECISION:

The Council approves the proposed priorities as recommended by the Cabinet and listed in report CEX326.

The Leader of the Council moved that "the Council approves the proposed priorities as recommended by the Cabinet". This was seconded. The process undertaken to agree the proposed priorities was detailed in report number CEX326.

An amendment was proposed and seconded that "leisure facilities and cultural services" should be added as a Category B priority.

Members of the Council debated the level of public consultation that had been undertaken. The priorities recommended by Cabinet had been made available via the modern.gov system. The local press were also aware of the proposed priorities. Concern was expressed about disinvestment in services including pest control, discretionary grants and tourism. Category M services had to achieve an operational minimum in terms of customer satisfaction and service delivery.

Members speaking against the amendment emphasised that resources available to the Council were limited. Since 1997, the discretionary spend of the Council had diminished significantly. The grant settlement for 2008/9 was not known. The Council voted on the amendment. The vote was lost.

A further amendment was moved and seconded that decisions on priorities and non-priorities should be deferred to allow the report to be considered by the Scrutiny Committee. A vote on this was taken and lost.

On being put to the vote the original motion was carried.

15:50-16:10 – The meeting adjourned.

45. REVIEW OF MEDIUM TERM FINANCIAL STRATEGY

DECISION:

- 1. The Council approves the revised Medium Term Financial Strategy for the period of 2007/8 to 2011/12, as attached to report CHFR70 which takes account of annual data changes.**
- 2. The Council noted that a fundamental review of the strategy will be undertaken taking cognizance of the Comprehensive Spending Review 2007 and the Local Government Financial Settlement to ensure the Council maximises opportunities to deliver on its key priorities and overall objective to become a brilliant Council**

Before the Council was report number CHFR70 on the Medium Term Financial Strategy. The recommendations in the report were moved and seconded. The Corporate Head, Finance and Resources presented the report. The Strategy was a five year document that needed to be reviewed regularly to ensure that it was fit for purpose. Members were advised that there would be the need to achieve 3% cashable savings each year for three years. It was likely that savings would be calculated based on the Council's net service cost. External contracts and mandatory spending would mean that efficiencies of 4.6% efficiency savings would need to be achieved in areas of spending over which the Council had control.

The Medium Term Financial Strategy would provide a framework for all other strategies coming forward, including the People Strategy. A vote was taken on the motion, which was carried.

46. REVIEW OF CAPITAL PROGRAMME 2007/08

DECISION:

The Council

- 1. approves the revised Capital Programme as attached at Appendix A-C of report number CHFR71;**
- 2. note the comments of the Section 151 Officer has provided a proposal for financing the capital programme. The actual financing of the capital programme will be finalised as part of the accounts closure process for 2007/8 when full details of the delivery of the programme and available financing options are known;**

3. **notes that the Section 151 Officer will consider the longer term impact of capital financing in conjunction with the Capital and Treasury Management advisors as part of the preparation of budgets for 2008/9 and provide further advice to the Council in the Budget Report for 2008/9.**

The Council had before them report number CHFR71 on the review of the capital programme for 2007/8. This was one of a regular series of reports submitted to Cabinet and Council to ensure that the Capital Programme remained fit for purpose. The recommendations listed in section 2 of report CHFR71 were moved and seconded.

Discussion on the motion ensued, which included comments on delays in the construction of Welham Street multi-storey car park in Grantham and subsequent slippage in the delivery of the programme. Options for the financing of the Capital Programme were detailed in the report. The Council's own reserves would be used first, to reduce the need for borrowing. The financing of the programme would be kept under review and was dependent upon the progress of the programme. A vote was taken on and was carried.

47. CONCESSIONARY TRAVEL

DECISION:

1. **The Council approves the cessation of the travel voucher scheme with effect from 1 January 2008 and to ease transition to the new national scheme, to permit residents to redeem vouchers until 31 March 2008.**
2. **The Council approves the adoption of the minimum national concessionary travel scheme [9:30am to 11:00pm Monday to Friday, all day Saturday and Sunday and bank holidays (excluding carers)] as set out in the national framework, which will come into effect from 1 April 2008.**

In moving the recommendation in CHFR71 and an additional recommendation that "The Council approves the adoption of the minimum national concessionary travel scheme [9:30am to 11:00pm Monday to Friday, all day Saturday and Sunday and bank holidays (excluding carers)] as set out in the national framework, which will come into effect from 1 April 2008," the Assets and Resources Portfolio Holder stated that the national (England only) concessionary travel scheme would come into operation as of 1 April 2008. The motion was seconded.

Several Members spoke against the proposal to introduce the minimum scheme. They considered that the scheme would not provide suitable access to transport for the disabled. Carers were excluded from the scheme. Many places within the district did not have a regular bus service and bus routes did not have buses that were wheelchair accessible. A suggestion was made that consideration needed to be given to those who were housebound but could travel if they had access to private transport.

Those speaking in favour of the motion suggested that the scheme had to

be limited because of the financial pressures it would place on the Council. There was no indication of the likely government grant to support the scheme, however, it was anticipated that it would not be sufficient to meet the full costs. Reference was also made to the 5% cap on Council Tax.

In summing up, the Portfolio Holder for Resources and Assets advised Members of the Council that the Local Strategic Partnership was carrying out a review of all the community car schemes across the District. It was hoped that proper co-ordination of these schemes could provide sufficient access to transport for those who did not have access to public transport either through disability or lack of local provision.

On being put to the vote, the motion to introduce the minimum national scheme and to extend the period in which travel vouchers could be used was carried.

A request was made that the consideration of agenda item 15 be deferred until the next meeting to give the Member concerned the opportunity to view the letter sent from the South Lincolnshire Blind Society to the Leader of the Council and the Chief Executive. This was proposed, seconded and put to the vote, which was lost.

The Chairman announced that consideration of agenda item 15 would take place at the end of the meeting and that he would propose that members of the press and public be excluded.

48. NOMINATION FOR MEMBER TO REPRESENT THE COUNCIL ON THE ELSEA PARK BOURNE BOARD OF TRUSTEES

DECISION:

That Councillor Mrs Judy Smith be appointed to serve as the District Council's representative on the Elsea Park Bourne Board of Trustees.

It was proposed and seconded that Councillor Mrs Judy Smith be appointed as the District Council's representative on the Elsea Park Bourne Board of Trustees. A vote was taken, which was carried.

49. GAMBLING ACT 2005 - FEES PROPOSAL

DECISION:

That the Council adopts the proposed fee structure for 2007/8 as set out in appendix 1 of report number ENV380, and future fees are reviewed within the Regulations and the Council's budgetary process.

The Council had before them report number ENV380 by the Service Manager, Environmental Protection, proposing fees for applications under the Gambling Act 2005. In moving the recommendation in the report, the Access and Engagement Portfolio Holder stated that fees had to be set on a cost recovery basis. This was seconded and put to the vote, which was

carried.

50. QUESTIONS ON NOTICE

Details of the questions on notice are attached as an appendix to the minutes.

51. NOTICE OF MOTION GIVEN UNDER COUNCIL PROCEDURE RULE 12:

DECISION:

This Council believes that:

Issues raised relating to flooding within the District and the role of relevant agencies in their response to recent flooding should be referred to the relevant Policy Development Group for its consideration.

Councillor Wood had submitted and moved the following motion:-

"The heavy rainfall this year has caused severe flooding in many areas across the District. This has caused hardship and distress to the residents of South Kesteven with properties being flooded and lives disrupted.

We are particularly aware of the problems experienced in Westborough and Long Bennington and would like to know why SKDC did not inform the vulnerable Parish councils about the withdrawal of provision of sand bags

The Council's corporate plan has a clear vision

"Shaping the future together with our partners and residents to develop a place where people really matter – and being recognised as a Council that provides brilliant services"

The Council's ambition is also to improve the quality of life in the District.

We would like to see the Council provide a brilliant service in the field of flood defence and work towards preventing flooding.

The Council should set up a working group to consider the following

- *Co-ordinating the efforts of the other agencies (i.e. Environment Agency, Lincolnshire County Council, Water Authorities and Parish Councils)*
- *Identifying areas at risk within the district and instigating investigations/reports and action plans*
- *The policy of its emergency response to flooding and the provision of sand bags."*

In moving the motion Councillor Wood alluded to the recent heavy rainfall and suggested that the work of all relevant bodies had not been as effective as it could have been. To improve co-operation, he suggested that a working group should be established. Sandbags were not readily available

to all residents; they were sent out to those who were considered to be in vulnerable areas.

In seconding the motion, comments made about sandbags were reaffirmed. Many villages were forced to purchase sandbags directly from a supplier. The suggestion was made that the Council should have written to parish councils in vulnerable areas explaining that sandbags were no longer available on demand. Other members placed further emphasis on co-operation between different agencies.

An amendment was proposed and seconded, that the issue should be referred to the relevant Policy Development Group. This was seconded. One member used as a model a co-ordination meeting between South Holland District Council and the relevant internal drainage board.

The Chief Executive clarified that the Council was under a statutory duty to work with the blue light emergency services. Finite quantities of sandbags were available. These were distributed in conjunction with advice from the police, to vulnerable areas and were targeted at maintaining the infrastructure.

The amendment was voted upon and carried. It became the substantive motion and was put to the vote, which was also carried.

A proposal was made:

"In accordance with Section 100A(4) of the Local Government Act 1972, that the press and public be excluded from the meeting during consideration of the following item of business because of the likelihood that otherwise exempt information, as described in paragraph 1 of the Act would be disclosed to the press and public."

A vote was taken on this and carried.

17:16 – Members of the press and public left the meeting.

52. APPOINTMENT OF MEMBER REPRESENTATION ON OUTSIDE BODIES: SOUTH LINCOLNSHIRE BLIND SOCIETY

DECISION:

- 1. To not appoint a new District Council representative to the South Lincolnshire Blind Society at the present time.**
- 2. To request that representatives from the South Lincolnshire Blind Society be asked to attend a meeting of the District Council's Scrutiny Committee.**

The Council had before them report number CEX379 by the Chief Executive. The report had been written in response to a letter received from South Lincolnshire Blind Society requesting the replacement of the District Council's representative on the body.

In accordance with Council Procedure rule 9, as the meeting was nearing being in progress for three hours, the majority of members present voted for the meeting to continue.

Members heard various items of correspondence relating to the body and the appointment.

It was proposed and seconded that Councillor Ray Wootten be appointed as the District Council's representative on the South Lincolnshire Blind Society. Members discussed the merits of making a new appointment.

An amendment was proposed, that no appointment should be made by the District Council pending a recommendation of the Scrutiny Committee, who should consider points raised in the correspondence that was read at the meeting. This was seconded and voted upon. The vote was carried and the amendment became a substantive motion. The substantive motion was put to the vote and was carried.

53. CLOSE OF MEETING

The meeting closed at 18:08.

COUNCIL 6 SEPTEMBER 2007

Questions from Members of the Public

QUESTION TO COUNCILLOR MRS. LINDA NEAL (LEADER OF THE COUNCIL)

Please could you tell me what provision is being made for the severely disabled when the travel vouchers finish in December.

Thank you.

Mrs. M. Patrick,

119 Essex Road,

Stamford,

Lincs.

COUNCIL 6 SEPTEMBER 2007

Questions on Notice

QUESTION 1

TO COUNCILLOR MRS. LINDA NEAL (LEADER OF THE COUNCIL)

'What specific changes to the Constitution of South Kesteven District Council can she identify which have increased direct public accountability of Cabinet members to other members of this Council and hence to the public we all serve? Would she also join with me in deplored, as she has done in other Local Authority arenas, any misuse or failure of compliance with the Standing Orders (a.k.a. 'The Constitution') of this Authority?'

COUNCILLOR TREVOR HOLMES

This question has been referred to Engagement Policy Development Group

QUESTION 2

TO COUNCILLOR JOHN SMITH (HEALTHY ENVIRONMENT PORTFOLIO HOLDER)

Is it environmentally friendly to allow bonfires to be burnt in built up housing areas as they not only often cause an anti-social nuisance to other residents but also especially in light of the new big brother chip in wheelie bins which may just encourage more residents to either fly-tip or burn their rubbish instead of the bins being used for their intended purpose of genuine recycling and landfill? As the relevant portfolio holder now has to pass the buck on answering questions without discussion, would the policy development committee therefore discuss?

COUNCILLOR IAN SELBY

This question was referred to the Communities Policy Development Group

Agenda Item 8

REPORT TO COUNCIL

REPORT OF: **Environmental Protection Service Manager**

REPORT NO.: **ENV390**

DATE: **25 OCTOBER 2007**

TITLE:	REVIEW OF LICENSING ACT 2003 POLICY
FORWARD PLAN ITEM:	YES
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	AUGUST 2007
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	POLICY FRAMEWORK AGREEMENT

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	CLLR. R AUGER – CABINET MEMBER	
CORPORATE PRIORITY:	CATEGORY "Y"	
CRIME AND DISORDER IMPLICATIONS:	YES	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	YES	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Yes	Full impact assessment required? No
BACKGROUND PAPERS:	ENV 366	

1. INTRODUCTION

Section 5 of the Licensing Act 2003 requires that each Local Authority consults on, and determines a Statement of Licensing Policy. That policy must be reviewed on an ongoing basis and in any case every three years. The current policy was adopted on the 7 December 2004 and is the revised policy must be in place for the 5 January 2008.

The legislation requires that before implementing the current policy is reviewed and consulted before any revisions made. Approval for the consultation process and method was sought and given by the Licensing Committee at their meeting on the 6 April 2007. See report ENV 366.

The consultation process has now been completed as have the revision to the policy.

The report has been noted by the Licensing Committee, and recommended by Cabinet to the Council for approval.

2. RECOMMENDATIONS

That, following the consultation exercise, the Council adopts the revised policy as “The Statement of Licensing Policy” which will take effect from the 5 January 2008

3. DETAILS OF REPORT

Section 3 of the Licensing Act 2003 defines this council as a “Licensing Authority”

Section 4 of the Act requires the Licensing Authority to have regard to its Licensing Policy in carrying out its functions.

Section 5 of the Act requires each licensing to determine and publish a Licensing Statement and review on an ongoing basis, but in any case triennially.

Before determining the policy the Authority must consult with: -

The Police, Fire Authority, other “Responsible Authorities, licence holders, other persons representative of businesses, resident in the area and others that the Authority may determine.

Following its meeting on the 6 April 2007 the Licensing Committee authorised the policy consultation to take place. The formal consultation period ran from the 20 April to the 14 July. This 12-week period complies with central government guidance on policy consultation, as does the level of consultation carried out.

The methods of consultation were as follows, articles were carried in the local press and the council's website. Presentations to promote the policy review were made by members of the licensing team at all six of the local forums. As a precursor to these meetings in the summer and autumn of 2006 a series of licensing forums were held by the licensing team to promote awareness of licensing issues and especially the ongoing review process required by the Act. Additionally members of the licensing team regularly attend local various licensed trade group meetings in the district.

Over 700 letters were sent to all licence holders, business and community groups and various others previously recorded as wishing to be involved in the process inviting the recipients to take part in the consultation process. Individual letters were sent to the six responsible authorities under the Act. Particularly letters were sent to the clerks of the main town Councils for their views.

The current policy was not sent with all of these letters, but included in the letters was the fact that it was available on the Council's website and that hard copies were available if required on request.

The results of this were 11 responses. Those responses are shown at Appendix 1 of this report and the comments shown therein reflect the level of interest. Where necessary, amendments have been made to the revised policy.

A record of the consultees, their responses and the process has been maintained.

The revised policy and the proposed amendments, shown in highlights, are shown at Appendix 2.

The review of the policy process has been completed, and peer assessed, in partnership the seven councils of the Lincolnshire county licensing group.

The revised policy was submitted for Cabinet approval at their meeting on 1 October 2007 and an oral update will be given at the council meeting if required.

4. OTHER OPTIONS CONSIDERED AND ASSESSED

The requirement to consult and produce a revised policy is a statutory duty. There are no other options.

5. COMMENTS OF SECTION 151 OFFICER

The fees and charges in respect of the Licensing service are set by Central Government and any proposed changes will need to be incorporated into the budget setting process.

6. COMMENTS OF MONITORING OFFICER

The amendments to the policy have been made to effect current relevant legislation and the relevant comments received from the consultation process.

7. COMMENTS OF OTHER RELEVANT SERVICE MANAGER

All relevant service managers are “Responsible Authorities” and have been consulted on and given opportunity response. Those that have done so have made no comments.

8. CONCLUSION/SUMMARY

Every effort has been made to comply with the legislation and consult as widely as possible. The revised policy is passed to the Council for adoption.

9. CONTACT OFFICER

M Start, Environmental Health Practitioner (Licensing)
Tel: 01476 406321 E-mail m.start@southkesteven.gov.uk

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA 12 January 2007

Reviewed 18 September 2007 – All amendments in italics

Section: Environmental Protection	Names of those undertaking assessment: Mike Brown David Price Mick Start Mike Brown Mandy Braithewaite Mick Start	
Name of Policy to be assessed: Statement of Licensing Policy	Date of Assessment: 12 January 2007 Reviewed 18 September 2007	Is this a new or existing policy?: Existing Existing policy revised following consultation and 3 year revision
<p>1. Briefly describe the aims, objectives and purpose of the policy:</p> <ul style="list-style-type: none"> a) The aim of the policy is the implementation of the Licensing Act 2003 in a fair and equitable way b) The objective is to implement the four licensing objectives as laid down in the statute c) The purpose of the policy is to specify how the council will implement 		
<p>2. What are the key performance indicators?</p> <p>Continual review with a legislative maximum of 3 years between reviews. No specific KPI's specified, but all applications are scrutinized to ensure that they meet the licensing objectives</p>		
<p>3. Who will be affected by this policy?</p> <p>The whole community</p>		
<p>4. Who is intended to benefit from this policy and in what way?</p> <p>The whole community will benefit by a structured approach to licensing outcomes</p>		
<p>5. Are there any other organisations involved in the delivery of the service?</p> <p>The statutory consultees and immediate residents</p>		
<p>6. What outcomes are required from this policy and for whom?</p> <p>Achievement of the licensing objectives</p>		
<p>7. What factors/forces could contribute/detract from the outcomes?</p> <p>Changing minority groups require a review that the list of consultees are reviewed during the review process</p> <p>Dynamic change in minority groups may require further reviews of the policy on an ongoing basis</p>		

8. Who are the main stakeholders in relation to the policy?
The whole community <i>and relevant authorities</i>
9. Who implements the policy, and who is responsible for the policy?
Service Manager, Environmental Protection
10. Are there concerns that the policy <u>could</u> have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No
11. Are there concerns that the policy <u>could</u> have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No
12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No
13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No
14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No concerns, Children are not restricted other than by legislation
15. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No – widely advertised within the community
16. Are there concerns that the policy <u>could</u> have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?
No
17. Are there any obvious barriers to accessing the service eg language, physical access?
No – different formats available on request

18. Where do you think improvements could be made?

None required

19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.

No

20. Is there a complaints system?

Corporate Complaints Procedure

21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?

Yes

22. Do we have feedback from managers or frontline staff?

Not applicable

23. Is there any feedback from voluntary/community organisations?

Yes – ongoing policy review of all sections of the community **and local forums**

24. Is there any research or models of practice that may inform our view?

Guidance from central government (Lacors & DCMS). Peer assessed by other Lincolnshire Authorities

25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?

No

26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?

No

27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?

Not applicable

28. Should the policy proceed to a full impact assessment?

No

29. Date on which Full assessment to be completed by

Not applicable

Signed (Lead Officer): Mike Brown.....

Date:12 January 2007...

Signed (Lead Officer): Mike Brown

Date.....18 September 2007.....

Appendix 1

Schedule of Responses to review of Licensing Policy 2007

Part I

Reference	Respondent	Comments	Appraisal	Response
1	Robert Manning School, Bourne	None	None	None
2	Harlaxton village hall committee	None	None	None
3	K. Shinkins, Rose Inn Frogmire	Issues re temporary event notices - 10 day period	This is not relevant to the policy and is for Central Government to change primary legislation this is not expected in the foreseeable future	None
4	Debbie Barnes, Safeguarding Children Board - LCC	Issues re 1. Criminal convictions in respect of protection of children in respect of staff working in licensed premises 2. Employment by children	An appropriate amendment will be considered	Consideration of revision

5	Mr. & Mrs. Hussey of Stamford	<ol style="list-style-type: none"> 1. Issues re Town Council role in premises licensing process 2. Alcohol Disorder Zones (ADZs) 3. Specific premises application 	<ol style="list-style-type: none"> 1. Parish and town councils have the ability to comment on individual applications and the policy 2. The issue of Cumulative impact/special policies is addressed in section 6. The matter of Alcohol Disorder Zones awaits the enactment of new legislation and will require evidence of substantial problems in the area before such a zone can be created 3. This is in respect of an individual premise application and the comments are noted 	Policy revised
6	Mr. Lewis Clayton of Stamford	<ol style="list-style-type: none"> 1. Role of parish and town councils 2. Commends Pubwatch scheme 3. Commends Proof of Age scheme 4. Commends mediation between applicants and objectors 5. Recognises interagency policy re problems arising from food outlets 6. Issues re an individual premise 7. Alcohol disorder Zones 	<ol style="list-style-type: none"> 1. See 5/1 above 2. Noted 3. Noted 4. Noted 5. Noted 6. Not relevant to policy 7. See 5/2 above 	See above re 1

		8. Glass bottle bans	8. This comment is essentially in respect of litter and street cleaning, but will be consider if there was a problem it could be addressed by a premises licence condition.	
7	J. McGuffie by email	Raise issues re underage drinking	Not relevant to policy but I have passed the comments to police and Trading Standards	None
8	Members of the public at the recent round of Local Forums verbal comments	Positive comments re work of the licensing team	None	None
10	Mr. Kingscott following local forum by email	Issues re access to public licensing register details	Not relevant to policy	None
11	I Fuller Bourne TCMP	1. Glass and bottle bans 2. ADZ Bourne town centre 3. Greater emphasis on Proof of Age schemes	1. The is little for support to apply such a ban that cannot be addressed by licensing conditions where appropriate to a particular premise 2. See 5 above 3. Noted this will be addressed in the revised policy	Amendments as necessary to the policy

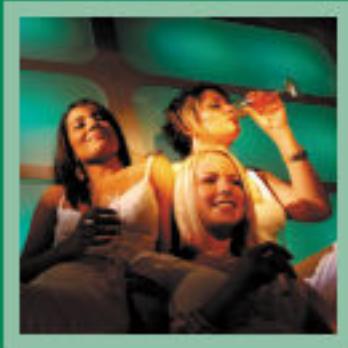
12	<p>Three letters all essentially the same content - from Stamford community groups.</p> <ol style="list-style-type: none"> 1. St. Peter's community group 2. Barn Hill and All Saints' Place community group 3. Stamford N/hood panel 	<p>Each respondee makes comment that the implementation of the Act has not caused the level of concern first thought. Other comments are made in relation to crime figures and anti social behaviour, drinking in the street and the smoking ban.</p>	<p>In respect of each of the letters the comments made are noted, but do not directly affect the revision of the policy</p>	<p>Any relevant issues will be addressed in the policy.</p>
13	Mr. A.J Springett of Stamford	Letter is respect of issues relating to one specific premise	Not relevant to the review	None
14	British beer and pub association	<p>This response was received out of time but has been include. The author believes introduction of the Act has proved largely successful and the level of disorder is seen to have decreased. The author also raises comments that councils should be aware that matters outside of the policy and the Act should not be included.</p>	<p>It would seem that there has been a decrease in crime in the district but there is also a perception in some quarters that this is not the case. I do not believe that there is anything in the policy that is not relevant to the Act.</p>	None



APPENDIX 2

Statement of Licensing policy

Reviewed September 2007



“Listening Learning Delivering”



South Kesteven District Council

STAMFORD • GRANTHAM • BOURNE • THE BEEMINGS

SOUTH KESTEVEN DISTRICT COUNCIL
STATEMENT OF LICENSING POLICY
REVISED SEPTEMBER 2007

1. Introduction

1.1 South Kesteven District Council (hereinafter referred to as the Licensing Authority) is responsible for the licensing of all licensable activities under the Licensing Act 2003 (the Act). This document sets out the policies and principles that the Licensing Authority will apply to **all places selling or providing**

- Alcohol
- Regulated Entertainment
- Late Night Refreshment

Including:

- Pubs and night-clubs
- Off-licences
- Restaurants serving alcohol
- Restaurants and take-aways open between 11.00pm and 5.00am
- Hotels
- Guest houses
- Private members clubs and social clubs
- Theatre and amateur dramatic groups
- Cinema operators
- Organisers of Temporary Events
- Community events
- Retail sale of alcohol
- Supply of alcohol by or on behalf of a club, or to the order of a member of a club
- Provision of regulated entertainment
- A performance of a play
- An exhibition of a film
- An indoor sporting event
- Boxing or wrestling entertainment
- A performance of live music
- Any playing of recorded music
- A performance of dance
- Provision of facilities for making music
- Provision of facilities for dancing
- Other similar entertainment
- Provision of late night refreshment

This policy is intended to provide clarity to applicants, interested parties and responsible authorities on how this Licensing Authority will determine applications. Guidance will be made available to assist applicants.

1.2 The Licensing Authority has a duty under the Act to carry out its functions with a view to promoting the 4 licensing objectives. These are: -

- The prevention of crime and disorder
- Public safety
- The prevention of public nuisance
- The protection of children from harm

In promoting the licensing objectives the Licensing Authority will pay due regard to the revised Guidance, issued in June 2007, under Section 182 of the Licensing Act 2003 and any subsequent legislation or Guidance issued by the Secretary of State.

- 1.3 It is recognised that the licensing function is only one means of securing the delivery of the above objectives and should not therefore be seen as solving all problems within the community. The Licensing Authority will therefore continue to work in partnership with its neighbouring authorities, the police, local businesses and local people towards the promotion of the objectives as outlined.
- 1.4 In preparing this policy statement the Licensing Authority has consulted with the following:-

- The police
- The fire service
- Representatives of licence holders and club certificate holders
- Local businesses and their representatives
- Local residents and their representatives
- Safe Guarding Children's Board for Lincolnshire
- Other bodies

Appropriate weight has been given to the views of all those consulted, the consultation complies with central Government Code of Practice on Consultation. The consultation period was from 20 April to 14 July 2007.

- 1.5 The purpose of licensing is to control licensed premises and other events within the terms of the Act. In accordance with the terms of the Act and subject to any relevant representations, conditions may be attached to licences and the various other permissions, which will focus on matters falling within the control of individual licensees.
- 1.6 These conditions will relate to the premises and other places being used for licensable activities and the impact of those activities in the vicinity. In this regard the Licensing Authority will primarily focus on the direct impact of any activities taking place on those living, working or otherwise engaged in the area concerned.

“Vicinity” has not been given a defined perimeter and may vary in distance away from the premises dependant on the nature of the area. Certain considerations may be taken into account in assessing “in the vicinity”. Each application will be treated on its merits and these may include, but are not limited to:

- The nature of the licensable activity;
- The nature and locality of the premises;
- The time of day of the proposed licensable activity; and
- The frequency of the activity.

It should however be made clear that the licensing function is not to be seen as the primary mechanism for the general control of anti-social behaviour by individuals once they are beyond the direct control of the licensee of any premises concerned. Whilst there is a range of statutory powers available to deal with such behaviour, these powers will not always be sufficient to control negative impacts on the vicinity. Therefore, the fact that such impact may occur is a relevant factor in the consideration of licensing applications. This may lead to a refusal of the application or the imposing of conditions to meet the concern.

1.7 In undertaking its licensing function, the licensing authority is also bound by other legislation, including, but not exclusively:-

- Section 17 of the Crime and Disorder Act 1998 – which imposes a duty on every local authority to do all that it reasonably can to prevent crime and disorder in its locality and to consider crime and disorder in its decision making process
- The European Convention on Human Rights, which is given effect by the Human Rights Act 1998 which places a duty on public authorities to protect the rights of individuals in a variety of circumstances.
- The Health and Safety at Work etc. Act 1974 and subsidiary regulations
- Environmental Protection Act 1990
- The Anti-social Behaviour Act 2003
- Regulatory Reform (Fire Safety) Order 2007
- The Violent crime Reduction Act 2006 (yet to be fully implemented)
- The Health Act 2006
- The Clean Neighbourhoods and Environment Act 2005
- The Race Relations Act 1976 (amended 2000)
- Disability and Age discriminatory legislation. The Council is committed to the implementation and application of this policy in such a manner as to ensure that no applicant, or interested party is treated less favourably on grounds of sex, marital status, race, nationality, ethnic, or national origin, colour, disability, or age, nor is disadvantaged by the application of a rule, condition or requirement which has a discriminatory effect which cannot be justified either in licensing terms or as a requirement of law.
- The scope of this Policy covers all applications made under the Licensing Act 2003.
- Nothing in this Policy will prevent any person from applying for a variety of permissions under the Act

1.8 The Licensing Authority will also seek to discharge its responsibilities identified by other Government and local strategies **and the work** of other agencies, so far as they impact on the objectives of the Licensing Act. Some examples of these Strategies are;

- Action Plan for Tackling Alcohol Related Crime, Disorder and Nuisance
- Safer Clubbing
- LACORS/TSI Code of Best Practice on Test Purchasing
- The Governments National Alcohol Strategy - “Safe Sensible Social Drinking”
- Protection of children and young people employment legislation
- Lincolnshire Drug and Alcohol Action Team – the Licensing Authority acknowledges and commends the work and strategies of the Drug and Alcohol Action Team and their associated policies and guidance
- Advice and guidance from the Lincolnshire Event Safety Advisory Group – in respect of the running of large events involving more than 5000 people
- The “Challenge 21 “ proof Of age scheme, currently promoted by Lincolnshire Trading Standards
- Local “Pubwatch” schemes operating in the district

2. Integrated Strategies and the Avoidance of Duplication

2.1 The Council's vision is:

“Shaping the future together with our partners and residents to develop a place where people really matter - and being recognised as a council that provides brilliant services”

2.2 By consulting widely prior to this policy statement being published the Licensing Authority has endeavoured to secure proper integration with local community safety, planning, transport, tourism and cultural strategies.

2.3 There are a number of wider issues which may need to be given due consideration when dealing with applications. The Licensing Authority's Licensing Committee may therefore receive and may act upon relevant reports on the -

- Level of crime and disorder and community safety issues, including anti-social behaviour
- Needs of the local tourist economy
- Cultural strategy for the area
- Employment situation in the area and the need for new investment and employment where appropriate
- Planning considerations which might affect licensed premises
- Local transport arrangements
- Any other reports considered appropriate to the licensing function

2.4 The Licensing Authority recognises that licensing applications should not be seen as a re-run of the planning application process and that there should be a clear separation of the planning and licensing regimes to avoid duplication and inefficiency. To assist in this process the Licensing Committee may provide reports to the Planning Committee

on the situation regarding Licensed premises in the district, including the overarching priority to reduce the impact of alcohol related crime and disorder.

Applicants are encouraged to consider making any necessary applications and enquiries for planning permission before or at the same time as they make application for a premises licence or club premise certificate.

- 2.5 T

In reaching a decision of whether or not to grant a licence, the Licensing Authority will take account of any non-compliance with other statutory requirements brought to its attention, particularly where these undermine the licensing objectives. Non-compliance with statutory requirements may demonstrate that the premises are unsuitable for the activities proposed or that the management of the premises is not adequate to protect the public from harm or nuisance.

2.6 In order to avoid duplication with other existing legislation and regulatory regimes the Licensing Authority will, as far as possible, not attach conditions of licence unless they are considered necessary for the promotion of the licensing objectives. Conditions will generally be considered unnecessary if they are already adequately covered by other legislation.

3. The Licensing Process

3.1 The functions of the Licensing Authority under the Act may be carried out by the Licensing Committee, by a Sub-Committee or by one or more officers acting under delegated authority. Delegated powers shall be in accordance with the table at Appendix 1.

Each application for licensing will be considered on its own merits, for example, free from the imposition of quotas on the number of licensed premises or generalised closing times.

Applicants are strongly advised to liaise with the responsible authorities with respect to the content of their operating schedule before making any application. The council's licensing team is always available to provide advice and guidance to any applicant, or interested party involved in the process.

3.3 Applicants will be required to submit with their application for a premises licence, or club premises certificate, or a variation to their existing premises licence or club certificate an Operating Schedule detailing: -

- The licensable activities to be conducted on the premises;
- The times during which it is proposed that the relevant licensable activities are to take place;
- Any other times when the premises are to be open to the public or to members of a club;

- Where the licence is required only for a limited period, that period;
- Where the licensable activities include the sale of alcohol, the name and address of the individual to be specified as the designated premises supervisor and a copy of his or her personal licence;
- Where the licensable activities include the sale of alcohol, whether the alcohol will be supplied for consumption on or off the premises or both; and
- The steps which the applicant proposes to take to promote the licensing objectives.
- All relevant documentation to satisfy the four licensing objectives.

3.4 Applications will be determined having regard to:

- This Policy
- The Licensing Act 2003 and subordinate legislation
- Guidance issued by the Department for Culture, Media and Sport (DCMS). This policy recognises Section 8 of the revised guidance and the role of residents associations, parish and town councils and local councillors.
- Any 'relevant representations' received (provided they are not determined by the Licensing Authority to be frivolous, vexatious or repetitive).

3.5 Account will be taken of the need to encourage and promote all types of entertainment including live music, dancing and theatre for the wider cultural benefit of the community as a whole. If representations are made concerning the potential for limited disturbance from these activities in a particular neighbourhood, the Licensing Authority's consideration will be balanced against the wider benefits to the community.

3.6 The Licensing Authority acknowledges the advice received from the DCMS that the views of vocal minorities should not be allowed to predominate over the general interest of the community.

4. **Licensing Hours**

4.1 The Licensing Authority recognises that fixed and artificially early closing times in certain areas can lead to peaks of disorder and disturbance on the streets when large numbers of people leave licensed premises at the same time. Longer licensing hours permitting the supply of alcohol may therefore be considered as an important factor in reducing friction at late night food outlets, taxi ranks and other sources of transport.

There is no presumption in the Act for longer hours to be granted over objections from local people and organisations. Where there are objections and the Licensing Committee believes that changing the hours would undermine the licensing objectives they can reject the application or grant it with appropriate conditions on hours.

The Government's National Alcohol Strategy published in June 2007 recognises the impact of the new licensing laws and that there has not been an increase in extended hours. There are in fact no "On" (public houses etc.) licensed premises in the district

holding a licence to operate 24 hours a day. The strategy also recognises that the spreading of closing hours has been a benefit.

- 4.2 As far as the Licensing Authority's overall approach to licensing hours is concerned it is not intended that any form of zoning will be introduced. Experience in other areas shows that this can lead to the significant movement of people across boundaries in search of premises opening later and puts greater pressure on town centres than is necessary and can lead to increased disorder and nuisance.
- 4.3 Shops, stores and supermarkets should generally be permitted to sell alcohol for consumption off the premises during the normal hours they intend to open for shopping purposes. However, in the case of individual shops that are known to be a focus of disorder and disturbance then, subject to receiving valid, relevant representations, a limitation on licensing hours may be appropriate.
- 4.4 In largely residential areas. The Licensing Authority will deal with the issue of licensing hours on the individual merits of each application. When issuing a licence, stricter conditions with regard to noise control and/or limitations to opening hours may be imposed in the case of premises, which are situated
- 4.5 The council's licensing team will always seek to provide informal advice and mediate between all parties involved in the application process and strive to reach a mutually acceptable agreement. Within that the team is subject to legislative restrictions, and it may be that the matter that will be put before the Licensing Committee.

5. Children and Licensed Premises

- 5.1 The Licensing Authority recognises the great variety of premises for which licences may be sought. These will include theatres, cinemas, restaurants, pubs, nightclubs, cafes, takeaways, community halls and schools. Except as prohibited by law, access by children to all types of premises will not be limited in any way, unless, it is considered necessary to do so to protect them from harm.
- 5.2 When deciding whether to limit access to children or not the Licensing Authority will judge each application on its own individual merits. Examples, which may give rise to concern in respect of children, would include premises –
 - Where entertainment or services of an adult or sexual nature are commonly provided;
 - Where there have been convictions of members of the current staff at the premises for serving alcohol to minors or with a reputation for underage drinking;
 - With a known association with drug taking or dealings;
 - Where there is a strong element of gambling on the premises (but not, for example, the simple presence of a small number of cash prize gaming machines); and
 - Where the supply of alcohol for consumption on the premises is the exclusive or primary purpose of the services provided at the premises.
- 5.3 In the case of premises which are used for film exhibitions, conditions will be imposed restricting access only to those who meet the required age limit in line with any certificate granted by the British Board of Film Classification or, in specific cases, a certificate given to the film by the Licensing Authority itself.

5.4 Where a large number of children are likely to be present on any licensed premises, for example, a children's show or pantomime, then conditions will be imposed requiring the presence of an acceptable number of appropriate adult staff to ensure public safety and their protection from harm. The onus will be on the premise licence holder to ensure that members of staff are suitable to carry out the supervision of children, which may include a criminal record check from the Criminal Records Bureau.

5.5 The options available for limiting access by children would include –

- Limitations on the hours when children may be present;
- Limitations on the exclusion of the presence of children under certain ages when particular specified activities are taking place;
- Limitations on the parts of premises to which children might be given access;
- Age limitations (below 18);
- Requirements for accompanying adults (including for example, a combination of requirements which provide that children under a particular age must be accompanied by an adult; and
- Full exclusion of those people under 18 from the premises when any licensable activities are taking place.

5.6 The Licensing Authority will not impose any condition that specifically requires access for children to be provided at any premises. Where no restriction or limitation is imposed the issue of access will remain a matter for the discretion of the individual licensee or club.

5.7 The body responsible for the interests of children is the Lincolnshire Safeguarding Children Board – who are contactable through the Lincolnshire County Council.

5.8 The sale of alcohol to children and young people under the relevant age is a criminal offence, often resulting in harm to the child or young person concerned and disturbance and nuisance to local residents and businesses. Applicants are required to detail adequate control measures in their operating schedules to prevent under age sales to children and young persons.

The Licensing authority recognises that Lincolnshire County Council Trading standards Services, as part of its responsibilities and duties under legislation controlling the sale of age restricted products including alcohol, provides advice and guidance on the controls and systems that may be adopted to help prevent such sales. The Licensing authority also recognises that in liaison with the police the trading standards service conducts covert test purchasing exercises to check compliance with the legislation.

The Licensing Authority particularly commends the nationally recognised "Challenge 21" proof of age scheme that has been adopted by many operators in the district.

6. Cumulative Impact

6.1 The cumulative impact of licensed premises on the promotion of the licensing objectives is a matter, which the Licensing Authority can take into account, **but must be evidence based**. This should not, however, be confused with 'need' which relates more to the commercial demand for a particular type of premises e.g. a pub, off licence, restaurant or hotel. The issue of 'need' is therefore a matter for planning consideration or for the market to decide and does not form part of this licensing policy statement.

The South Kesteven District Council recognises the benefits of vibrant town centre developments and a flourishing nighttime economy. In considering these benefits the council commends the recent work of the Civic Trust and its recent publication "Night Vision Town Centres for All"

6.2 The Licensing Authority may receive representations from either a responsible authority or an interested party, (both defined by the Act), that the cumulative impact of new licences is leading to an area becoming saturated with premises of a certain type, making it a focal point for large groups of people to gather, and thereby creating exceptional problems of disorder and nuisance over and above the impact from the individual premises themselves. In such cases the issue of cumulative impact can be taken into account when considering the individual merits of any application.

6.3 The Licensing Authority will not operate a quota of any kind, which would pre-determine any application, nor will it seek to impose general limitations on trading hours in particular areas. Instead, regard will be given to the individual characteristics of the premises concerned within a given area. It is recognised that pubs, nightclubs, restaurants, hotels, theatres, and other clubs all sell alcohol, serve food and provide entertainment but with contrasting styles and characteristics. Proper regard will be had to those differences and the impact they are likely to have on the local community.

6.4 The decision to include a special policy relating to cumulative impact, with this policy will be evidentially based. The steps to be followed in considering whether to include such a special policy are: -

- Identification of concern about crime and disorder or public nuisance;
- Consideration of whether it can be demonstrated that crime and disorder and nuisance are arising and are caused by the customers of licensed premises, and if so identifying the area from which problems are arising and the boundaries of that area; or that the risk factors are such that the area is reaching a point when a cumulative impact is imminent;
- Consultation with those specified by section 5(3) of the 2003 Act as part of the general consultation required in respect of the whole statement of licensing policy;
- Subject to that consultation, inclusion of a special policy about future premises licence or club premises certificate applications from that area within the terms of the section 182 guidance issued by the DCMS in the statement of licensing policy.
- Publication of the special policy as part of this statement of licensing policy required by the 2003 Act.

6.5 Any special policy is not absolute and the circumstances of each application will be considered properly.

6.6 Rather than adopt a special policy there are a number of other mechanisms for addressing issues of unruly behaviour which occur away from licensed premises, these include –

- Planning controls;
- Positive measures to create a safe and clean town centre environment in partnership with local businesses, transport operators and other departments of the local authority;
- The provision of CCTV surveillance in town centres, ample taxi ranks, provision of public conveniences open late at night, street cleaning and litter patrols;
- Powers of local authorities to designate parts of the local authority area as places where alcohol may not be consumed publicly;
- Police enforcement of the general law concerning disorder and anti-social behaviour, including the issuing of fixed penalty notices
- The prosecution of any personal licence holder or member of staff at such premises who is selling alcohol to people who are drunk;
- The confiscation of alcohol from adults and children in designated areas;
- Police powers to close down instantly for up to 24 hours any licensed premises or temporary event on grounds of disorder, the likelihood of disorder or noise emanating from the premises causing a nuisance; and
- The power of the police, other responsible authorities or a local resident or business to seek a review of the licence or certificate in question.

These may be supplemented by other local initiatives that similarly address these problems.

6.7 The Licensing Authority may address a number of these issues through the **South Kesteven Community Safety Partnership** and Count Licensing Group in line with the strategic objectives for crime and disorder reduction within the district.

7. Nudity and Striptease

7.1 Where the activities specified in an operating schedule include striptease or any other kind of nudity (for example, topless staff and table servers) the Licensing Authority, **subject to receiving a relevant representation**, will take into consideration the increased risk to the promotion of the licensing objectives. In particular, the Licensing Authority will expect the applicant to have given additional thought to the promotion of the licensing objectives

7.2 Where premises licence applications include striptease or any other kind of nudity, the Licensing Authority will have particular regard to the location of the premises in relation to places of religious worship, schools, youth clubs or other premises where significant numbers of children are likely to attend.

7.3 In order to promote the licensing objectives, where the Licensing Authority grants premises licences that include striptease or any other kind of nudity it will generally impose conditions relating to the following issues:-

- The location within the premises where the activity takes place
- The absence of advertising the activities outside the premises
- The measures taken to ensure no person under 18 years of age enters the premises
- The measures taken to ensure that the activities inside the premises cannot be seen from outside the premises

- The position of the performers' dressing rooms in relation to the area in which they perform
- Physical contact between performers and customers

8. Conditions of Licence

- 8.1 The Licensing Authority does not propose to implement standard licensing conditions across the board. It may draw upon the model pool of conditions issued by the DCMS and attach conditions (contained in Annexes D-E of the guidance issued under the Act) as appropriate given the circumstances of each individual case.
- 8.2 The Licensing Authority is aware of the need to avoid measures which deters live music and theatre by imposing direct costs of a substantial nature and the Licensing Authority will take account of this.
- 8.3 Conditions not listed in the pool of model conditions may be specifically tailored by the Licensing Authority and attached to licences as appropriate.

9. Enforcement

- 9.1 The Licensing Authority **has established** protocols with the police and other enforcing authorities. These protocols will provide for the targeting of agreed problem and high-risk premises, whilst applying a lighter touch to low risk premises.

Action will only be taken in accordance with the Licensing Authority's own enforcement policy, which reflects the agreed principles which are consistent with the Enforcement Concordat. To this end the key principles of targeting, consistency, transparency and proportionality will be maintained.

- 9.2 The Licensing Authority will ensure that all types of licensed premises and their operators, receive the appropriate level of attention, but on a risk based assessment basis. For example high risk town centre late night outlets of all types, including takeaway type food outlets, will be inspected more frequently than premises operating on more restricted hours that are likely to unlikely to require the same level of inspection.
- 9.3 The Licensing Authority will always make available information and guidance to any interested party considering a review of a premise licence under the Act. It will often be appropriate for the Authority to give advice to licensees that would prevent the need for undertaking a review.
- 9.4 This policy also takes into account new powers under the Anti Social Behaviour Act 2003, which gives Local Authorities powers to deal with noise nuisance from licensed premises. The Council is also aware of powers recently introduced under the Violent Crime Reduction Act 2006, in respect of sale of alcohol to persons under the age of 18 years. The Council will following, representations from the police to consider any applications to designate the provisions of the Act to implement Alcohol Disorder Zones. That section of the Act awaits implementation and will require the consideration before it can be adopted

- 9.5 Results of enforcement or investigation will be made available to responsible authorities who may wish to include this evidence in a review of a premises license or club premises certificate.
- 9.6 Enforcement action will be considered against a personal licence holder where there has been a failure to comply with the requirements of the Licensing Act 2003.

10. Review

- 10.1 The Policy Statement will remain in existence for a period of 3 years and will be subject to review and further consultation before 5 January 2011. However, following consultation, the Licensing Authority may make revisions to it as deemed necessary.

11. Advice and Guidance

- 11.1 Further information and advice on the licensing process can be obtained by contacting the South Kesteven District Council, Licensing team in person, by telephone 01476 406300, by email at licensing@southkesteven.gov or by going to the council's web site www.southkesteven.gov.uk and going to "Licensing".

APPENDIX I

Delegation of Functions

The delegation of functions in relation to licensing matters are as follows: -

<u>Matter to be dealt with</u>	<u>Licensing Committee</u>	<u>Alcohol Entertainment and Late Night Refreshment Licensing Committee or its Sub-Committee</u>	<u>Officers</u>

Application for personal licence		If a police objection	If no objection made
Application for personal licence with unspent convictions		All cases	
Application for premises licence/club premises certificate		If a relevant representation made	If no relevant representation made
Application for provisional statement		If a relevant representation made	If no relevant representation made
Application to vary premises licence/club premises certificate		If a relevant representation made	If no relevant representation made
Application to vary designated supervisor		If a police objection	All other cases
Request to be removed as designated premises supervisor			All cases
Application for transfer of premises licence		If a police objection	All other cases
Applications for Interim Authorities		If a police objection	All other cases

<u>Matter to be dealt with</u>	<u>Licensing Committee</u>	<u>Alcohol Entertainment and Late Night Refreshment Licensing Committee or its Sub-Committee</u>	<u>Officers</u>
Application to review premises licence/club premises certificate		All cases	
Decision on whether a complaint is			All cases

irrelevant frivolous vexatious etc.			
Decision to object when the Licensing Authority is a consultee and not the relevant authority considering the application		All cases	
Determination of a police objection to a temporary event notice		All cases	

The sub-committee of the Alcohol Entertainment and Late Night Refreshment Licensing Committee shall **normally** comprise of three Members of that Committee.

**Document enhancement for the visually impaired on request,
Tel: 01476 406300 or e-mail frontdesk@southkesteven.gov.uk**

Environment/mstart/licensingact/
LICENSING POLICY ACT 2003
31 August 2007

REPORT TO COUNCIL

REPORT OF: CORPORATE HEAD OF FINANCE AND RESOURCES

REPORT NO.: CHFR 77

DATE: 25TH OCTOBER 2007

TITLE:	REVIEW OF FINANCIAL REGULATIONS
FORWARD PLAN ITEM:	Not applicable
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	Not applicable
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	Not applicable

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	ASSETS AND FINANCE PORTFOLIO HOLDER – CLLR MRS MAUREEN SPENCER-GREGSON OBE	
CORPORATE PRIORITY:	CORPORATE HEALTH	
CRIME AND DISORDER IMPLICATIONS:	NONE	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is available via the Local Democracy link on the Council's website www.southkesteven.gov.uk	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:		

INTRODUCTION

1. The purpose of these Financial Regulations is to set out the framework of rules for the proper financial administration of the authority and the responsibilities of those carrying out duties with a financial implication. The financial regulations were last approved on 27 February 2003 and it is appropriate to review and update them to ensure they remain fit for purpose. A fundamental review of the regulations has therefore been carried out in order to reflect the management structure and working practices which now exist at the authority.
2. Appended to this report are:
 - The Financial Regulations
 - The guidance notes
3. Financial regulations will continue to be reviewed by the S151 officer and any specific amendments considered necessary will be considered and tabled for member approval.

The Financial regulations (and guidance notes) were presented to Governance and Audit Committee on 21 September 2007 and the following recommendation was made:

The Committee recommend to Council the adoption of the Financial Regulations and guidance notes.

Since that meeting a further amendment has been made to the guidance notes to include specific reference to the appropriate process for any bid submissions for external funding that may be sought within the financial year. The wording for this inclusion can be found in the guidance notes (section 1 Financial Management paragraph 1.25)

RECOMMENDATION

4. Council is asked to approve the Financial Regulations and guidance notes in accordance with the recommendation by the Governance and Audit Committee.

COMMENTS OF SECTION 151 OFFICER

5. My comments are included in the report.

COMMENTS OF MONITORING OFFICER

6. The changes have been made to the financial regulations and guidance to reflect the change in structure of the organisation and to update relevant values. It is important Council adopt both the regulations and the guidance to those regulations as the regulations make frequent reference to the guidance and cannot be reading in isolation.

The regulations form an essential part of the corporate governance of the Council. They set out the rules for the financial administration of the Council and the responsibilities of those carrying out duties with a financial implication.

CONTACT OFFICER

Richard Wyles – Service Manager,, Finance and Risk Management
01476 406210
Email: r.wyles@southkesteven.gov.uk



SOUTH KESTEVEN DISTRICT COUNCIL

**FINANCIAL REGULATIONS
GUIDANCE NOTES**

OCTOBER 2007

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South Kesteven District Council
Finance Guidance Notes
May 2007

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South Kesteven District Council

Finance Guidance Notes

May 2007

SECTION 1: FINANCIAL MANAGEMENT

FINANCIAL MANAGEMENT STANDARDS

Why is this important?

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

Key Controls

- 1.02 The key controls and control objectives for financial management standards are:
 - a) their promotion throughout the authority;
 - b) a monitoring system to review compliance with financial standards, and regular comparisons of performance indicators and benchmark standards that are reported to the Cabinet and Council.

Responsibilities of the S151 Officer

- 1.03 To ensure the proper administration of the financial affairs of the authority
- 1.04 To set the financial management standards and to monitor compliance with them
- 1.05 To ensure proper professional practices are adhered to and to act as head of profession in relation to the standards, performance and development of finance staff throughout the authority.
- 1.06 To advise on the key strategic controls necessary to secure sound financial management.
- 1.07 To ensure that financial information is available to enable accurate and timely monitoring and reporting of comparisons of national and local financial performance indicators.

Responsibilities of Corporate Heads and Service Managers

- 1.08 To promote the financial management standards, set by the S151 Officer, in their services and to monitor adherence to the standards and practices, liaising as necessary with the S151 Officer.

- 1.09 To promote sound financial practices in relation to the standards, performance and development of staff in their service area.

MANAGING EXPENDITURE

Scheme of Virement

Why is this important?

1.10 The scheme of virement is intended to enable the Cabinet, Strategic Directors, Corporate Heads and Service Managers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the Council, and therefore to optimise the use of resources.

Key Controls

1.11 Key controls for the scheme of virement are:

- a) It is administered by the S151 Officer within guidelines set by the Council. Any variation from this scheme requires the approval of the Council;
- b) The overall budget is agreed by the Cabinet and approved by the Council. Corporate Directors and Service Managers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is switching resources between approved estimates or heads of expenditure. For the purposes of this scheme, a budget head is considered to be a line in the approved estimates report, or, as a minimum, at an equivalent level to the standards service subdivision as defined by CIPFA's Service Expenditure Analysis;
- c) Virement does not create additional overall budget liability. Corporate Heads/Service Managers are expected to exercise their discretion in managing their budgets responsibly and prudently. For example, they should aim to avoid supporting recurring expenditure from one-off sources of savings or additional income, or creating future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. Corporate Heads/Service Managers must plan to fund such commitments from within their own budgets.

Responsibilities of the S151 Officer

1.12 To prepare jointly with Corporate Heads/Service Managers a report to the Cabinet where virements are in excess of those agreed within the policy framework.

Responsibilities of Service Managers

- 1.13 Virements may occur within specified cost centres and across the following headings – employees, premises, transport and supplies & services. The virement can be used to support one-off expenditure items within the current financial year. It cannot be used to support expenditure that will be an on-going financial commitment for the service area.
- 1.14 Service managers may vire any individual amount up to and including the limit specified in Appendix A (within the specified cost centre and headings). The appropriate virement request form (Appendix D) must be completed and sent to the Service Manager, Finance and Risk Management for approval.
- 1.15 The Service Manager Finance and Risk Management will ensure the corporate accountancy system is updated to reflect the requested virement.

Responsibilities of Corporate Heads

- 1.16 Virement requests within the specified range (Appendix A) shall be authorised jointly by the service manager, appropriate Corporate Head and S151 Officer subject to the conditions in paragraphs below. The appropriate virement request form (Appendix E) must be completed and sent to the Service Manager, Finance and Risk Management.
- 1.17 The appropriate Service Manager/Corporate Head jointly with the S151 Officer and in agreement with the appropriate Cabinet member shall be able to transfer budgets within the agreed range (Appendix A) for any budget head subject to the conditions in paragraphs below. The appropriate virement request form (Appendix F) must be completed and sent to the Service Manager, Finance and Risk Management.
- 1.18 Amounts greater than the agreed limit (Appendix A) require the approval of the Cabinet, following a joint report by the S151 Officer and the Corporate Head, which must specify the proposed expenditure and the source of funding, and must explain the implications in the current financial year.
- 1.19 The prior approval of the Cabinet is required for any virement, of whatever amount, where it is proposed to vire between budgets of different Cabinet members.
- 1.20 Virement that is likely to impact on the level of service activity of another Corporate Head should be implemented only after agreement with the relevant Corporate Head.
- 1.21 In addition to the above, a virement shall only be approved providing that:

- The future revenue burden of the service will not be increased materially;
- Expenditure has not been deferred to a later year;
- The proposal is not to engage staff or enter into a contractual commitment which will add an ongoing cost beyond the year in which the virement has taken place;
- The proposed revenue budget receiving the benefit of the virement is not contrary to existing policy (for example the contrary to prioritisation of services)
- No virement relating to a specific financial year should be made after 31 March in that year.

1.22 Where an approved budget is a lump sum budget or contingency intended for allocation during the year, its allocation will not be treated as a virement, provided that:

- a) the amount is used in accordance with the purposes for which it has been established;
- b) the Cabinet has approved the basis and the terms, including financial limits, on which it will be allocated. Individual allocations in excess of the financial limits should be reported to the Cabinet.

Supplementary Estimates

1.23 Corporate Heads/Service Managers wishing to incur revenue expenditure not covered in their revenue estimates and for which virement is not available, shall apply to the Council and the Corporate Head of Finance and Resources shall report on each application with particular reference to the future financial implications.

1.24 A supplementary estimate need not be sought for expenditure of £1000 or less.

External Funding

1.25 Preparation for potential bids for external funding undertaken by officers of the Council require the necessary member approval prior to any bid being submitted to the proposed funding body. The approval process will be determined by the financial amount of the bid and whether it is within the Council's budgetary and policy framework.

Emergency Payments

1.26 In an emergency the Chief Executive or Corporate Head Finance and Resources may authorise expenditure of up to the agreed level (Appendix A) not covered by revenue estimates in accordance with the Emergency Plan. Each such item shall be reported to the next meetings of the Cabinet and Council. Any payments above the agreed level (Appendix A) in an emergency may be made in consultation with the Leader and relevant Cabinet member.

TREATMENT OF YEAR-END BALANCES

Why is this important?

- 1.27 On occasions the level of expenditure or income differs from that expected. This can lead to under or over spends against budget. Sometimes if slippage occurs this will impact on the next year's budget process.
- 1.28 The rules below cover arrangements for the transfer of resources between accounting years, ie carry-forward. For the purposes of this scheme, a budget heading is a line in the estimates report, or, as a minimum, at an equivalent level to the standard service subdivision as defined by CIPFA in its Service Expenditure Analysis.

Key Controls

- 1.29 Appropriate accounting procedures are in operation to identify the nature of spend against the budgets.

Responsibilities of the S151 Officer

- 1.30 To administer the scheme if carry-forwards within the financial framework.
- 1.31 To report all overspending and underspending on service estimates to Cabinet and the Council.
- 1.32 To advise on the appropriate treatment of unders/overs as part of the financial framework.
- 1.33 All trading activity surpluses in excess of their reserve balance are retained for the benefit of the Authority.

Responsibilities of Corporate Heads and Service Managers

- 1.34 Budget overspending should not occur if effective budget monitoring and the flexibility within budget management with the use of virements have been adopted. Early notification of potential under/over spends should take place.

ACCOUNTING POLICIES

Why is this important?

1.35 The S151 Officer is responsible for the preparation of the authority's statement of accounts, in accordance with proper practices as set out in the format required by the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) for each financial year ending 31 March.

Key Controls

1.36 The key controls for accounting policies are:

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

Responsibilities of the S151 Officer

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

- separate accounts for capital and revenue transactions;
- the basis on which debtors and creditors at year end are included in the accounts;
- details on substantial provisions and reserves;
- fixed assets;
- depreciation;
- capital charges;
- work in progress;
- stocks and stores;
- deferred charges;
- accounting for value added tax;
- government grants;
- leasing;
- pensions.

Responsibilities of Corporate Heads and Service Managers

- 1.38 To adhere to the accounting policies and guidelines set by the S151 Officer.

ACCOUNTING RECORDS AND RETURNS

Why is this important?

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

Key Controls

1.40 The key controls for accounting records and returns are:

- a) all Cabinet members, finance staff and cost centre managers operate within the required accounting standards and timetables;
- b) all the authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;
- c) procedures are in place to enable accounting records to be reconstituted in the event of systems failure;
- d) reconciliation procedures are carried out to ensure transactions are correctly recorded;
- e) prime documents are retained in accordance with legislative and other requirements.

Responsibilities of the S151 Officer

1.41 To determine the accounting procedures and records for the authority. Where these are maintained outside the finance department, the S151 Officer should the Service Managers concerned.

1.42 To arrange for the compilation of all accounts and accounting records under his or her direction.

1.43 To comply with the following principles when allocating accounting duties:

- a) separating the duties providing information about sums due to or from the authority and calculating, checking and recording these sums from the duty of collecting or disbursing them;
- b) employees with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.

- 1.44 To make proper arrangements for the audit of the authority's accounts in accordance with the Accounts and Audit (amended) (England) Regulations 2006.
- 1.45 To ensure that all claims for funds including grants are made by the due date.
- 1.46 To prepare and publish the audited accounts of the authority for each financial year, in accordance with the statutory timetable and with the requirement for the Council to approve the statement of accounts before 30 June.
- 1.47 To administer the authority's arrangements for under and overspendings to be carried forward to the following financial year.
- 1.48 To ensure the proper retention of financial documents in accordance with the requirements set out in the authority's document retention schedule attached at Annex 2

Responsibilities of Corporate Heads and Service Managers

- 1.49 To consult and obtain the approval of the S151 Officer before making any changes to accounting records and procedures.
- 1.50 To comply with the principles outlined in paragraph 1.44
- 1.51 To maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements.
- 1.52 To supply information required to enable the statement of accounts to be completed in accordance with guidelines issued by the S151 Officer.

THE ANNUAL STATEMENT OF ACCOUNTS

Why is this important?

1.53 The authority has a statutory responsibility to prepare its own accounts to present fairly its operations during the year. The Council is responsible for approving the statutory annual statement of accounts.

Key Controls

1.54 The key controls for the annual statement of accounts are:

- a) the authority is required to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of these affairs. In this authority, that officer is the S151 Officer;
- b) The authority's statement of accounts must be prepared in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (the SORP) (CIPFA/LASAAC).

Responsibilities of the Council

1.55 The Council are required under the Accounts and Audit Regulations (Amended) (England) 2006 to approve the Statement of Accounts by 30 June following the end of the financial year.

1.56 In accordance with the Statement of Auditing Standard (SAS) 610, if after the Statement of Accounts are Initially approved, a misstatement is discovered (not just material, but ALL misstatements, other than those which are clearly trifling) it is a requirement that Council agreed any amendments to the previously approved Statement of Accounts.

Responsibilities of the Leader of the Council

1.57 Following approval of the Statement of Accounts by Council, they must be signed and dated by the Leader of the Council at the meeting at which the approval is given.

Responsibilities of the S151 Officer

- 1.58 To select suitable accounting policies and to apply them consistently.
- 1.59 To make judgements and estimates that are reasonable and prudent.
- 1.60 To comply with the SORP.

- 1.61 To draw up the timetable for final accounts preparation and to advise staff and external auditors accordingly.
- 1.62 The Statement of Accounts must be signed and dated by the S151 Officer prior to being submitted to the Governance and Audit Committee for approval in order to certify that these present fairly the financial position of the authority at the end of the year to which the accounts relate.
- 1.63 The S151 Officer must ensure that the Statement of Accounts are published as soon as reasonably possible after the conclusion of audit and, in any event, by 31 September following the end of the financial year.

Responsibilities of Corporate Heads and Service Managers

- 1.64 To comply with accounting guidance provided by the S151 Officer and to supply the S151 Officer with information when requested.

SECTION 2: FINANCIAL PLANNING

PERFORMANCE PLANS

Why is this important?

2.01 Each local authority has a statutory responsibility to publish various performance plans, including best value performance plans, crime reduction strategies, etc. The purpose of performance plans and associated service plans is to explain overall priorities for further improvements. The authority is required to publish annually the best value performance plan (BVPP), which summarises its performance and position in relation to best value. The BVPP is a key element in the authority's programme of engaging with the public. External audit is required to report on whether the authority has complied with statutory requirements in respect of the preparation and publication of the BVPP.

Key Controls

2.02 The key controls for performance plans are:

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

Responsibilities of the S151Officer

- 2.03 To advise and supply the financial information that needs to be included in performance plans in accordance with statutory requirements and agreed timetables.
- 2.04 To contribute to the development of corporate and service targets and objectives and performance information.
- 2.05 To ensure that systems are in place to measure activity and collect accurate financial information for use as performance indicators.
- 2.06 To ensure that financial performance information is monitored sufficiently frequently enough to allow corrective action to be taken if targets are not likely to be met.

Responsibilities of Corporate Heads and Service Managers

- 2.07 To contribute to the development of performance plans in line with statutory requirements.
- 2.08 To contribute to the development of corporate and service targets and objectives and performance information.

BUDGETING

Format of the Budget

Why is this important?

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

Key Controls

2.10 The key controls for the budget format are:

- a) the format complies with all legal requirements
- b) the format complies with CIPFA's Best Value Accounting – Code of Practice
- c) the format reflects the accountabilities of service delivery

Responsibilities of the S151 Officer

2.11 To advise the Cabinet on the format of the budget that is approved by the Council

Responsibilities of Corporate Heads and Service Managers

2.12 To comply with accounting guidance provided by the S151 Officer.

REVENUE BUDGET PREPARATION, MONITORING AND CONTROL

Why is this important?

- 2.13 Budget management ensures that once the budget has been approved by the Council, resources allocated are used for their intended purposes and are properly accounted for. Budgetary control is a continuous process, enabling the authority to review and adjust its budget targets during the financial year. It also provides the mechanism that calls to account managers responsible for defined elements of the budget.
- 2.14 By continuously identifying and explaining variances against budgetary targets, the authority can identify changes in trends and resource requirements at the earliest opportunity. The authority itself operates within an annual cash limit, approved when setting the overall budget. To ensure that the authority in total does not overspend, each service is required to manage its own expenditure within the cash-limited budget allocated to it.
- 2.15 For the purpose of budgetary control by managers, a budget will normally be the planned income and expenditure for a service area or cost centre. However, budgetary control may take place at a more detailed level if this is required by the Corporate Heads' and Service Managers' scheme of delegation.

Key Controls

- 2.16 The key controls for managing and controlling the revenue budget are:
 - a) service managers are responsible for income and expenditure;
 - b) there is a nominated service manager for each cost centre heading;
 - c) service managers accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities;
 - d) service managers follow an approved certification process for all expenditure;
 - e) income and expenditure are properly recorded and accounted for;
 - f) performance levels/levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

Responsibilities of the S151 Officer

- 2.17 To establish an appropriate framework of budgetary management and control that ensures that:

- budget management is exercised within annual cash limits unless the Council agrees otherwise;
- each Corporate Head and Service Manager has available timely information on receipts and payments on each budget which is sufficiently details to enable managers to fulfil their budgetary responsibilities;
- expenditure is committed only against an approved budget head;
- all officers responsible for committing expenditure comply with relevant guidance, and the financial regulations;
- each cost centre has a single named manager, determined by the relevant Corporate Head and Service Manager. As a general principle, budget responsibility should be aligned as closely as possible to the decision-making process that commits expenditure;
- significant variances from approved budgets are investigated and reported.

2.18 To administer the authority's scheme of virement.

2.19 To submit reports to the Cabinet and to the Council, in consultation with the relevant Corporate Head/Service Manager, where a Corporate Head/Service Manager is unable to balance expenditure and resources within existing approved budgets under his or her control.

2.20 To prepare and submit reports to management board, cabinet on the authority's projected income and expenditure compared with the budget on a regular basis.

Responsibilities of Corporate Heads and Service Managers

2.21 To maintain budgetary control within their service area, and to ensure that all income and expenditure are properly recorded and accounted for.

2.22 To ensure that an accountable cost centre manager is identified for each item of income and expenditure under the control of the Corporate Head/Service Manager (grouped together in a series of cost centres). As a general principle, budget responsibility should be aligned as closely as possible to the decision-making that commits expenditure.

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

- 2.24 To ensure that a monitoring process is in place to review performance levels and levels of service.
- 2.25 To prepare and submit to the Cabinet reports on the service's projected expenditure compared with its budget, in a format agreed with the S151 Officer.
- 2.26 To ensure prior approval by the Council or Cabinet (as appropriate) for new proposals, of whatever amount, that:
 - create financial commitments in future years;
 - change existing policies, initiate new policies or cease existing policies;
 - materially extend or reduce the authority's services.
- 2.27 To ensure compliance with the scheme of virement.
- 2.28 To agree with the relevant Corporate Head/Service Manager where it appears that a budget proposal, including a virement proposal, may impact materially on another service area or Corporate Head/Service Manager's level of service activity.

BUDGETS AND MEDIUM TERM PLANNING

Why is this important?

- 2.29 The authority is a complex organisation responsible for delivering a wide variety of services. It needs to plan effectively and to develop systems to enable scarce resources to be allocated in accordance with carefully weighed priorities. The budget is the financial expression of the authority's plans and policies.
- 2.30 Reports on new proposals should explain the full financial implications, following consultation with the S151 Officer. Unless the Council or Cabinet has agreed otherwise, Corporate Heads/Service Managers must plan to contain the financial implications of such proposals within their budgetary limits.
- 2.31 The revenue budget must be constructed so as to ensure that resource allocation properly reflects the service plans and priorities of the Council. Budgets (spending plans) are needed so that the authority can plan, authorise, monitor and control the way money is allocated and spent. It is illegal for an authority to budget for a deficit.
- 2.32 Medium-term planning (or a three to five year planning system) involved a planning cycle in which managers develop their own plans. As each year passes, another future year will be added to the medium-term plan. This ensures that the authority is always preparing for events in advance.

Key Controls

- 2.33 The key controls for budgets and medium-term planning are:
 - a) specific budget approval for all expenditure;
 - b) cost centre managers are consulted in the preparation of the budgets for which they will be held responsible and accept accountability within delegations set by the Cabinet for their budgets and the level of service to be delivered;
 - c) a monitoring process is in place to review regularly the effectiveness and operation of budget preparation and to ensure that any corrective action is taken.

Responsibilities of the S151 Officer

- 2.34 To prepare and submit reports on budget prospects for the Cabinet, including resource constraints set by the Government. Reports should take account of medium-term prospects, where appropriate.

- 2.35 To determine the detailed form of revenue estimates and the methods for their preparation, consistent with the budget approved by the Council, and after consultation with the Cabinet and Corporate Heads/Service Managers.
- 2.36 To prepare and submit reports to the Cabinet on the aggregate spending plans of department and the resources available to fund them, identifying, where appropriate, the implications for the level of Council tax to be levied.
- 2.37 To advise on the medium-term implications of spending decisions.
- 2.38 To encourage the best use of resources and value for money by working with Corporate Heads/Service Managers to identify opportunities to improve economy, efficiency and effectiveness, and by encouraging good practice in conducting financial appraisals of development or saving options, and in developing financial aspects of service planning.
- 2.39 To advise the Council on Cabinet proposals in accordance with his or her responsibilities under Section 151 of the Local Government Act 1972.

Responsibilities of Corporate Heads and Service Managers

- 2.40 To prepare estimates of income and expenditure, in consultation with the S151 Officer, to be submitted to the Cabinet. Income estimates should include a formal review of fees and charges.
- 2.41 To prepare budgets that are consistent with any relevant cash limits, with the authority's annual budget cycle and with guidelines issued by the Cabinet. The format should be prescribed by the S151 Officer in accordance with the Council's general directions.
- 2.42 To integrate financial and budget plans into service planning, so that budget plans can be supported by financial and non-financial performance measures.
- 2.43 In consultation with the Corporate Head Finance and Resources and in accordance with the laid-down guidance and timetable, to prepare detailed revenue and capital budgets for consideration by the appropriate committee.
- 2.44 When drawing up draft budget requirements, to have regard for:
 - spending patterns and pressures revealed through the budget monitoring process;
 - legal requirements;
 - policy requirements as defined by the Council in the approved policy framework;
 - initiatives already under way.

RESOURCE ALLOCATION

Why is this important?

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

Key Controls

2.46 The key controls for resource allocation are:

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

Responsibilities of the S151 Officer

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

2.48 To assist in the allocation of resources to budget managers.

Responsibilities of Corporate Heads and Service Managers

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

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

CAPITAL PROGRAMMES

Why is this important?

- 2.51 Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, and major items of plant, equipment or vehicles. Capital assets shape the way services are delivered in the long term and create financial commitments for the future in the form of financing costs and revenue running costs.
- 2.52 The Government places strict controls on the financing capacity of the authority. This means that capital expenditure should form part of an investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources.
- 2.53 The Local Government Act 2003 requires local authorities to comply with CIPFA's Prudential Code for Capital Finance in Local Authorities, "the Prudential Code". The key objectives of the prudential code are to provide a framework that supports the authority's strategic plans, option appraisals and asset management strategies, and ensures that the capital investment plans of the authority are affordable, prudent and sustainable.
- 2.54 The Prudential system is based around a range of indicators relating to external debt, capital expenditure plans and treasury management. These indicators are required to be set each year (and if applicable revised) by Council for the forthcoming year and the subsequent two years.
- 2.55 The setting of the Prudential indicators should be considered alongside the authority's Treasury Management Strategy and annual report on treasury management activities.

Key Controls

- 2.56 The key controls for capital programming are:
 - a) the approved project guidelines are adopted for all projects;
 - b) specific approval by the Council for the programme of capital expenditure;
 - c) a scheme and estimate, including project appraisal, progress targets and associated revenue expenditure is prepared for each capital project, for approval by the Cabinet;
 - d) approval of the Cabinet where capital schemes are financed from the revenue budget, up to a specified amount, and subject to the approval of the Council, where the expenditure exceeds this amount;
 - e) proposals for improvements and alterations to building must be approved by the appropriate Service Manager and Assets & Facilities

Manager in consultation with the Corporate Head Finance & Resources.

- f) Authorisation for capital spend for individual schemes within the overall budget approved by the Council must be submitted to the Cabinet Portfolio Holder for approval (for example, minor works), or under other arrangements approved by the Council;
- g) the development and implementation of asset management plans;
- h) accountability for each proposal is accepted by a named manager;
- i) monitoring of progress in conjunction with expenditure and comparison with approved budget
- j) Project managers regularly review the risk associated with their projects;
- k) Monitoring of the capital programme, with regard to the monitoring of funding, progress, variations, amendments, etc is the responsibility of the S151 Officer delegated to the Capital Asset Management Group;

Responsibilities of the Section 151 Officer

- 2.57 To prepare capital estimates jointly with Corporate Heads/Service Managers and the Head of Paid Service and to report them to the Cabinet for recommendation to Council. The Cabinet will make recommendations on the capital estimates and on any associated financing requirements to the Council. Cabinet member approval is required where a Corporate Head/Service Manager propose to bid for or exercise additional borrowing approval not anticipated in the capital programme. This is because the extra borrowing may create future commitments to financing costs.
- 2.58 To prepare and submit reports to the Cabinet on the project income, expenditure and resources compared with the approved estimates.
- 2.59 To issue guidance concerning capital schemes and controls, for example, on project appraisal techniques. The definition of 'capital' will be determined by the S151 Officer, having regard to government regulations and accounting requirements.
- 2.60 To obtain authorisation from the Cabinet for individual schemes where the estimated expenditure exceeds the capital programme provision by more than a specified amount.
- 2.61 To establish procedures to monitor performance against all forward looking prudential indicators. Where it is likely that a prudential indicator will be breached, to submit a report to Cabinet.

Responsibilities of Corporate Heads and Service Managers

- 2.62 To comply with guidance concerning capital schemes and controls issued by the S151 Officer.
- 2.63 To ensure that all capital proposals have undergone a project appraisal in accordance with guidance issued by the S151 Officer and as agreed by Cabinet.
- 2.64 To prepare regular reports reviewing the capital programme provisions for their services. They should also prepare a quarterly return of estimated final costs of schemes in the approved capital programme for submission to the S151 Officer.
- 2.65 To ensure that adequate records are maintained for all capital contracts.
- 2.66 To proceed with projects only when there is adequate provision in the capital programmed and with the agreement of the S151 Officer, where required.
- 2.67 To prepare and submit reports, jointly with the S151 Officer, to the Cabinet, of any variation in contract costs greater than the approved limits.
- 2.68 To prepare and submit reports, jointly with the S151 Officer, to the Cabinet, on completion of all contracts where the final expenditure exceeds the approved contract sum by more than the specified amount.
- 2.69 To ensure that credit arrangements, such as leasing arrangements, are not entered into without the prior approval of the S151 Officer and, if applicable, approval of the scheme through the capital programme.
- 2.70 To consult with the S151 Officer and to seek Cabinet approval where the Corporate Head/Service Manager proposes to bid for additional funding to be issued by government departments or other funding sources to support expenditure that has not been included in the current year's capital programme.

MAINTENANCE OF RESERVES

Why is this important?

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

Key Controls

2.72 The key controls for the maintenance of reserves are:

- a) To maintain reserves in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASACC) and agreed accounting policies.
- b) For each reserve established, the purpose, usage and basis of transactions should be clearly identified.
- c) Authorisation and expenditure from reserves by the appropriate Corporate Head/Service Head in consultation with the S151 Officer.

Responsibilities of the S151 Officer

- 2.73 To advise the Cabinet and/or the Council on prudent levels of reserves for the authority, and to take account of the advice of the external auditor in this matter.
- 2.74 At the time the budget is considered and the Council tax set, prepare a report on the robustness of the budget estimates and the adequacy of financial reserves.

Responsibilities of Corporate Heads and Service Managers

- 2.75 To ensure that resources are used only for the purposes for which they were intended.

SECTION 3: RISK MANAGEMENT AND CONTROL OF RESOURCES

RISK MANAGEMENT

Why is this important?

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

3.02 It is the overall responsibility of the Cabinet to approve the authority's risk management strategy, and to promote a culture of risk management awareness throughout the authority.

Key Controls

3.03 The key controls for risk management are:

- a) procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the authority;
- b) a monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis;
- c) managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;
- d) provision is made for losses that might result from the risks that remain;
- e) procedures are in place to investigate claims within required timescales;
- f) acceptable levels of risk are determined and insured against where appropriate;
- g) the authority has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources.

Responsibilities of the S151 Officer

- 3.04 To prepare and promote the authority's risk management policy statement.
- 3.05 To develop risk management controls in conjunction with other Corporate Heads/Service Managers
- 3.06 To include all appropriate employees of the authority in a suitable fidelity guarantee insurance
- 3.07 To effect corporate insurance cover, through external insurance and internal funding, and to negotiate all claims in consultation with other officers, where necessary.
- 3.08 To promote risk awareness training for members and officers.

Responsibilities of Corporate Heads and Service Managers

- 3.09 To notify the S151 Officer immediately of any loss, liability or damage that may lead to a claim against the authority, together with any information or explanation required by the S151 Officer or the authority's insurers.
- 3.10 To take responsibility for risk management, having regard to advice from the S151 Officer and other specialist officers (eg risk management, crime prevention, fire prevention, health and safety).
- 3.11 To ensure that there are regular reviews of risk within their service areas.
- 3.12 To notify the S151 Officer promptly of all new risks, properties or vehicles that require insurance and of any alterations affecting existing insurances.
- 3.13 To consult the S151 Officer and the Service Manager Legal Services on the terms of any indemnity that the authority is requested to give.
- 3.14 To ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

INTERNAL CONTROLS

Why is this important?

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

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

3.17 The authority faces a wide range of financial, administrative and commercial risks, both from internal and external factors, which threaten the achievement of its objectives. Internal controls are necessary to manage these risks.

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

- efficient and effective operations;
- reliable financial information and reporting;
- compliance with laws and regulations;
- risk management.

Key Controls

3.19 The key controls and control objectives for internal control systems are:

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

Government in the United Kingdom and with any other statutory obligations and regulations.

Responsibilities of the Chief Executive

- 3.20 To ensure that the authority has in place an adequate and effective system of internal control which is reviewed and reported on annually within the Statement of Internal Control.

Responsibilities of the S151 Officer

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

Responsibilities of Corporate Heads and Service Managers

- 3.22 To manage processes to check that established controls are being adhered to and to evaluate their effectiveness, in order to be confident in the proper use of resources, achievement of objectives and management of risks.
- 3.23 To review existing controls in the light of changes affecting the authority and to establish and implement new ones in line with guidance from the S151 Officer. Corporate Heads and Service Managers should also be responsible for removing controls that are unnecessary or not cost or risk effective – for example, because of duplication.
- 3.24 To ensure staff have a clear understanding of the consequences of lack of control.

AUDIT REQUIREMENTS

Internal Audit

Why is this important?

3.25 The requirement for an internal audit function for local authorities is implied by Section 151 of the Local Government Act 1972, which requires that authorities “make arrangements for the proper administration of their financial affairs”. The Accounts and Audit Regulations (Amended) (England) 2006 regulation 6, more specifically require that a “relevant body shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control. Bodies should review the effectiveness of their system of internal audit once a year and the findings of the review should be considered by a committee of the body, or the body as a whole, as part of the consideration of the system of internal control referred to in regulation 4.”

3.26 Regulation 4 specifically states that the “relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of the body’s functions and which includes risk management arrangements. The relevant body shall conduct a review at least once in a year of the effectiveness of its system of internal control and shall publish a statement on internal control. The findings of the review of the system of internal control should be considered by a committee of the body or by members of the body meeting as a whole.”

3.27 Internal audit is an independent and objective appraisal function established by the authority for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.

Key Controls

3.28 The key controls for internal audit are:

- that it is independent in its planning and operation;
- the head of internal audit has direct access to the Head of Paid Service, all levels of management and directly to elected members;
- the internal auditor comply with Auditing Practices Board’s guideline Guidance for Internal Auditors, as interpreted by CIPFA’s Code of Practice for Internal Audit in Local Government in the United Kingdom.

Responsibilities of the S151 Officer

3.29 To ensure that internal auditors have the authority to:

- access authority premises at reasonable times;
- access all assets, records, documents, correspondence and controls systems;
- receive any information and explanation considered necessary concerning any matter under consideration;
- require any employee of the authority to account for cash, stores or any other authority asset under his or her control;
- access records belonging to third parties, such as contractors, when required; and
- directly access the Head of Paid Service, the Cabinet, Standards and Governance & Audit Committees.

3.30 To approve the strategic plan and annual audit plans prepared by the internal auditors, which takes account of the characteristics and relative risks of the activities involved.

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

Responsibilities of Corporate Heads and Service Managers

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

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

3.34 To consider and respond promptly to recommendations in audit reports.

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

3.36 To notify the S151 Officer immediately of any suspected fraud, theft, irregularity, or improper use or misappropriation of the authority's property or resources. Pending investigation and reporting, the Corporate Head should take all necessary steps to prevent further loss and to secure records and documentation against removal or alteration.

- 3.37 To ensure that new systems for maintaining financial records, or records of assets, or changes to such systems, are discussed with and agreed by the internal auditor prior to implementation.

EXTERNAL AUDIT

Why is this important?

3.38 The Local Government Finance Act 1982 set up the Audit Commission, which is responsible for appointing external auditors to each local authority in England and Wales. The external auditor has rights of access to all documents and information necessary for audit purposes.

3.39 The basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, Section 4 of the 1998 Act requires the Audit Commission to prepare a code of audit practice, which external auditors follow when carrying out their duties. The code of audit practice sets out the auditors' objectives to review and report upon:

- the financial aspects of the audited body's corporate governance arrangements;
- the audited body's financial statements;
- aspects of the audited body's arrangements to manage its performance, including the preparation and publication of specified performance information and compliance in respect of the preparation and publication of the BVPP;
- Comprehensive Performance Assessment (CPA) involving the compilation of a corporate assessment, performance data, audit, inspection and other service assessments.

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

Key Controls

3.41 External auditors are appointed by the Audit Commission normally for a minimum period of five years. The Audit Commission prepares a code of audit practice, which external auditors follow when carrying out their audits.

Responsibilities of the S151 Officer

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

- 3.43 To ensure there is effective liaison between external and internal audit.
- 3.44 To work with the external auditors and advise the Council, the Cabinet, Management Board and Service managers on their responsibilities in relation to external audit.

Responsibilities of Corporate Heads and Service Managers

- 3.45 To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work.
- 3.46 To ensure that all records and systems are up to date and available for inspection.

PREVENTING FRAUD AND CORRUPTION

Why is this important?

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

Key Controls

- 3.50 The key controls regarding the prevention of financial irregularities are that:
 - a) the authority has an effective anti-fraud and anti-corruption policy and maintains a culture that will not tolerate fraud or corruption;
 - b) all members and staff act with integrity and lead by example;
 - c) Management Board and service managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are corrupt;
 - d) High standards of conduct are promoted amongst members by the Standards and Governance & Audit Committees;
 - e) The maintenance of a register in which any hospitality or gifts accepted must be recorded;
 - f) Whistle blowing procedures are in place and operate effectively;
 - g) Legislation including the Public Interest Disclosure Act 1998 is adhered to.

Public Accountability Requirement

- 3.51 The acceptance of gifts and/or hospitality by employees must be treated with caution.
- 3.52 There is a delicate balance between acceptance or refusal of hospitality or tokens of goodwill on certain occasions. On each occasion a judgement must be made between causing offence by refusal and risking improper conduct by acceptance. The receipt of minor articles, often by way of trade advertisement, which will be used on the Council's business, for example diaries, calendars, officer requisites, etc which are customarily

distributed at Christmas, and occasionally at other times, will not be regarded as acceptance of a gift. Each employee is personally responsible for the initial decision concerning the propriety of the hospitality or gifts. If there is any doubt they should be refused and employees should seek advice from a more senior member of management.

- 3.53 Offers of hospitality and invitations to social occasions from those who do or seek business with the Council or have an interest in its decisions should similarly be treated with caution. They should be accepted only where the scale of hospitality is of modest standard. Again, it is the duty of the employee concerned to be satisfied that personal integrity is not put at risk.
- 3.54 An officer must not receive or give or offer any gift or bribe or personal inducements in connection with the Council's business.
- 3.55 The above requirement shall not apply in respect of any gift or reward received by an officer acting for or on behalf of the Council in connection with a Chairman's or other Civic Ceremony or event, or in respect of any other instance as may be specifically approved by the Council.
- 3.56 An officer must not use Council property, assets, or materials for other than the purposes of the Council without the permission of the Chief Executive or the appropriate Corporate Head or Service Manager.
- 3.57 All staff are required to inform the Corporate Head Corporate & Customer Services in writing before undertaking any outside employment.
- 3.58 All staff are prohibited from submitting planning or building regulation applications or grant applications and from carrying out work in connection with such applications, which are not their own or those of a close relative. Plans submitted on this basis must be clearly identified by the Officer's name and relationship to the applicant. Under no circumstances should an employee prepare or submit plans for a relative who is acting or who is intending to act as an agent for other applicants or intended applicants for planning permission, building control or grant applications.

Responsibilities of the S151 Officer

- 3.59 To develop and maintain an anti-fraud and anti-corruption policy.
- 3.60 To maintain adequate and effective internal control arrangements.

3.61 To ensure that all suspected irregularities are reported to the internal auditor, the Head of Paid Service, the Monitoring Officer, the Cabinet and the Standards and Governance & Audit Committees.

Responsibilities of Corporate Heads and Service Managers

3.62 To ensure that all suspected irregularities are reported to the S151 Officer, Head of Paid Service, Monitoring Officer or the internal auditor.

3.63 To instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

3.64 To ensure that where financial impropriety is discovered, the S151 Officer is informed, and where sufficient evidence exists to believe that a criminal offence may have been committed, the police are called in to determine with the Crown Prosecution Service whether any prosecution will take place.

3.65 To encourage their staff to regularly review declarations (annually as a minimum) recorded in the register of officers' interests maintained by the Monitoring Officer.

ASSETS

Security

Why is this important?

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

Key Controls

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

- a) resources are used only for the purposes of the authority and are properly accounted for;
- b) resources are available for use when required;
- c) resources no longer required are disposed of in accordance with the law and the regulations of the authority so as to maximise benefits;
- d) an asset register is maintained for the authority, assets are recorded when they are acquired by the authority and this record is updated as changes occur with respect to the location and condition of the asset;
- e) all staff are aware of their responsibilities with regard to safeguarding the authority's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
- f) all staff are aware of their responsibilities with regard to safeguarding the security of the authority's computer systems, including maintaining restricted access to the information held on them and compliance with the authority's data protection and e-mail security policies and codes of practice.

Responsibilities of the S151 Officer

3.68 To ensure that an asset register is maintained in accordance with good practice for all fixed assets with a value in excess of the agreed capital threshold (appendix A). The function of the asset register is to provide the authority with information about fixed assets so that they are:

- safeguarded;
- used efficiently and effectively;

- adequately maintained.

3.69 To receive the information required for accounting, costing and financial records from each Corporate Head/Service Manager.

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

Responsibilities of Corporate Heads and Service Managers

3.71 The Service Manager Assets and Facilities shall maintain a property database in a form approved by the S151 Officer for all properties, plant and machinery and moveable assets currently owned or used by the authority. Any use of property by a department or establishment other than for direct service delivery should be supported by documentation identifying terms, responsibilities and duration of use.

3.72 To ensure that lessees and other prospective occupiers of Council land are not allowed to take possession of or enter the land until a lease or agreement, in a form approved by the Service Manager Assets and Facilities in consultation with the S151 Officer and Monitoring Officer, has been established as appropriate.

3.73 To ensure the proper security of all buildings and other assets under their control.

3.74 To pass title deeds to the Monitoring Officer who is responsible for custody of all title deeds.

3.75 To ensure that no authority asset is subject to personal use by an employee without proper authority.

3.76 To ensure the safe custody of vehicles, equipment, furniture, stock, stores and other property belonging to the authority.

3.77 To ensure that the service areas maintain a register of moveable assets in accordance with arrangements defined by the S151 Officer.

3.78 To ensure that assets are identified, their location recorded and that they are appropriately marked and insured.

3.79 To consult the S151 Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.

- 3.80 To ensure cash holdings on premises are kept to a minimum and all limits shall be agreed with the S151 Officer and shall not be exceeded without his/her express permission.
- 3.81 To ensure that keys to safes and similar receptacles are carried on the persons of those responsible at all times; loss of any such keys must be reported to the S151 Officer as soon as possible.
- 3.82 To record all disposal or part exchange of assets that should normally be by competitive tender or public auction, unless, following consultation with the S151 Officer, the Cabinet agrees otherwise.
- 3.83 To arrange for the valuation of assets for accounting purposes to meet requirements specified by the S151 Officer.
- 3.84 To ensure that all employees are aware that they have a personal responsibility with regard to the protection and confidentiality of information, whether held in manual or computerised records. Information may be sensitive or privileged, or may possess some intrinsic value, and its disclosure or loss could result in a cost to the authority in some way.

Inventories

- 3.85 To maintain inventories and record an adequate description of furniture, fittings, equipment, plant and machinery above the agreed threshold. (Appendix A)
- 3.86 Each inventory shall show all major items of furniture, plant or equipment supplied to the premises, the location of each item and its ultimate disposal.
- 3.87 Corporate Heads/Service Managers shall ensure that inventories of portable assets are set up and maintained in a form approved by the S151 Officer.
- 3.88 To carry out an annual check of all items on the inventory in order to verify location, review, and condition and to take action in relation to surpluses or deficiencies, annotating the inventory accordingly. Attractive and portable items such as computers, cameras and video recorders should be identified with security markings as belonging to the authority.
- 3.89 To make sure that property is only used in the course of the authority's business, unless the Corporate Heads/Service Manager concerned has given permission otherwise.

3.90 Equipment should be disposed of by competitive tender, public auction or such other method as agreed by the S151 Officer.

3.91 Inventories are to be checked at regular intervals to ensure that:

- new items are entered on inventories
- inventory items are present
- any deficiencies are either accounted for or investigated without delay
- redundant inventory items are disposed of in accordance with the procedures for Asset Disposal set out below.

Stocks and Stores

3.92 To make arrangements for the care and custody of stocks and stores in the service area.

3.93 To ensure stocks are maintained at reasonable levels and are subject to a regular independent physical check. All discrepancies should be investigated and pursued to a satisfactory conclusion.

3.94 To investigate and remove from the authority's records (ie write off) discrepancies as necessary with the S151 Officer's approval.

3.95 To authorise or write off disposal of redundant stocks and equipment in consultation with the S151 Officer. Procedures for disposal of such stocks and equipment should be by competitive quotations or auction, or such other method as agreed by the S151 Officer.

ASSET DISPOSAL

Why is this important?

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

Key Controls

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

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

Responsibilities of the S151 Officer

3.99 To issue guidance representing best practice for disposal of assets.

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

Responsibilities of Corporate Heads and Service Managers

3.101 To seek advice from the procurement officer on the disposal of surplus or obsolete materials, stores or equipment.

3.102 Where land or buildings are surplus to requirements, a recommendation for sale should be the subject of a joint report by the Corporate Head/ Service Manager and the S151 Officer. Where this is the case the following procedures will apply; unless otherwise determined:-

If after considering a report from the appropriate Corporate Head and Service Manager declaring that a property is no longer required the following procedures will apply:

- alternative Council uses for the property will be considered by Cabinet. If no alternative Council use is recommended the Cabinet will deal with the disposal of the property. Where there are policy or resource issues

- of major significance to the Council, Council approval for the disposal should be obtained before disposal proceedings are commenced;
- the Service Manager Assets and Facilities Management will apply for any relevant planning permissions(s) and will obtain a valuation of the property;
- unless specifically agreed by the Council or approved under delegated powers to officers, all disposals by the Council of interests in the property shall be by way of open tender subject to contract;
- where disposal is by open tender the Service Manager Assets and Facilities Management will advertise the property in question and seek competitive tenders reserving the right not to accept the highest or any bid. One advert at least must be in a local paper circulating within the District and in such other publications as the Manager considers necessary. The closing date for receipt of tenders should be not less than two weeks after the latest publication date.

3.103 Where in pursuance of Constitution and Contract Procedure Rules, invitation to tender is required, every such notice of such invitation shall state that no tender will be received except in a plain sealed envelope or package bearing a tender label giving only the tender title and opening date. The tender label and franking must not identify the name of the tenderer and that the envelope so marked shall be submitted to the Chief Executive before the time and date specified in the invitation to tender as being the last time and date for receipt of tenders.

- The Chief Executive or nominated representative upon receipt of tender shall indicate on the envelope the date and time of its receipt by him/her;
- Tenders shall remain the custody of the Chief Executive or nominated representative until the appointed time for their opening;
- No tender received after the date and time indicated for the receipt of tenders shall be considered;
- Tenders received for a property sale shall be opened in accordance with the "Tender Opening" procedure contained within the Contract Procedure Rules.
- The Chief Executive or nominated representative at the time the tenders are opened will record in a book kept for the purpose;
 - the description of the property to be sold;
 - the name of each person or on whose behalf a tender was submitted;
 - the date and time of receipt of each tender as recorded on the enveloped
 - the amount of each tender;
 - the date and time of the opening of the tenders;

- the names of all persons present at the opening of all the tenders.
- the Chief Executive shall have authority to accept the highest tender if it is equal to or above the Valuer's valuation. If no tender is accepted, or other than the highest is considered to be acceptable, then no tender can be accepted until a full report has been submitted to the Council by the Chief Executive with an appraisal by the Corporate Head Finance and Resources.

3.104 To ensure that income received for the disposal of an asset is properly banked and coded.

INTELLECTUAL PROPERTY

Why is this important?

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

3.106 Certain activities undertaken with the authority may give rise to items that may be patentable, for example, software development.

Key Controls

3.107 In the event that the authority decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the authority's approved intellectual property procedures.

Responsibilities of the S151 Officer

3.108 To develop and disseminate good practice through the authority's intellectual property procedures.

Responsibilities of Corporate Heads and Service Managers

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

LEASING

Why is this important?

3.110 There are two types of leases:

- Operating Lease – a type of lease usually for computer or office equipment or furniture, etc. This lease is similar to renting and the expenditure comes from the revenue account, the lease does not normally fall under the Government's capital control system. Ownership of the asset must remain with the lessor for a lease to be of this type.
- Finance Lease – a type of lease usually of land, or land and buildings which is treated in the Government's capital control system as a credit arrangement as if it was similar to borrowing.

Key Controls

3.111 The key controls for leasing are:

- a) following consultation with the Corporate Head/Service Manager, the S151 Officer must approve and sign off all leases;
- b) conditions of the lease are understood and complied with and the responsibilities of the authority are clearly understood;
- c) leases are entered into only to meet the priorities approved in the policy framework approved by the Council;
- d) lease agreements are given due consideration prior to entering into long-term agreements and that future capital and revenue budgets reflect these requirements.

Responsibilities of the S151 Officer

3.112 To authorise and sign off any lease agreements, and to keep a log of all leases entered into along with relevant details.

3.113 To ensure that the requirements of the lease are considered prior to entering into the agreements and that future capital and revenue budgets reflect these requirements.

3.114 To ensure that audit requirements are met.

Responsibilities of Corporate Heads/Service Managers

3.115 To submit all lease agreements to the S151 Officer for approval prior to entering into any arrangements.

3.116 To ensure that all lease agreements are duly completed and signed off by the S151 Officer.

TREASURY MANAGEMENT

Why is this important?

- 3.117 Many millions of pounds pass through the authority's books each year. This led to the establishment of codes of practice. These aim to provide assurances that the authority's money is properly managed in a way that balances risk with return, but with the overriding consideration being given to the security of the authority's capital sum.
- 3.118 The treasury management service is an important part of the overall financial management of the authority's affairs. The authority's treasury activities are strictly regulated by statutory requirements and a professional code of practice (the CIPFA Code of Practice on Treasury Management). The Council adopted the Code of Practice on Treasury Management on 23 June 2004. The Council approves an annual Treasury Management Strategy in line with the code of practice.
- 3.119 The Constitution requires an annual strategy to be reported to the Council outlining the expected treasury activity for the forthcoming three years.

Key Controls

- 3.120 That the authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management and with the authority's treasury policy statement.

Responsibilities of the S151 Officer – Treasury Management and Banking

- 3.121 To arrange the borrowing and investments of the authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management and the authority's treasury management policy statement and strategy.
- 3.122 To report regularly on treasury management activities to the Cabinet.
- 3.123 To operate bank accounts as are considered necessary – opening or closing any bank account shall required the approval of the S151 Officer.
- 3.124 Control of the authority's bank and Giro accounts shall be operated by the Corporate Head Finance and Resources except that the accounts shall not be moved from one bank to another without the consent of the Council.
- 3.125 Cheques drawn upon the authority's main banking accounts shall bear the facsimile signature of the Corporate Head Finance and Resources, or be

signed in manuscript by officers authorised by him/her. They shall also sign all alterations and amendments to cheques.

- 3.126 Where payments are to be transmitted electronically, the Corporate Head Finance and Resources shall approve the necessary arrangements to safeguard the authority against potential loss.
- 3.127 All cheques and other forms of operating the authority's accounts shall be ordered by the Corporate Head Finance and Resources, who shall ensure their safe custody at all times.
- 3.128 Cheques and electronic payments over the agreed value (Appendix A) must be countersigned by one authorised signatory (in addition to the facsimile signature on the cheque).
- 3.129 No cheques are to be cancelled except by persons authorised.
- 3.130 Instructions for stopping any form of payment shall be notified to the Bank in writing and all preliminary telephone instructions in this connection shall be confirmed in writing immediately afterwards by the S151 Officer.
- 3.131 No replacement cheques or payments shall be issued until the Bank confirm that a stop has been placed on the original cheque or electronic payment.

Responsibilities of Service Manager Finance and Risk Management – Treasury Management and Banking

- 3.132 To follow the instructions on banking issued by the S151 Officer.

Responsibilities of S151 Officer – Investments and Borrowing

- 3.133 To ensure that all investments of money are made in the name of the authority or in the name of nominees approved by the Council.
- 3.134 To ensure that all securities that are the property of the authority or its nominees and the title deeds of all property in the authority's ownership are held in the custody of the appropriate Service Manager.
- 3.135 To effect all borrowings in the name of the authority.
- 3.136 To act as the authority's registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the authority.

Responsibilities of Service Manager Finance and Risk Management – Investments and Borrowings

3.137 To ensure that loans are not made to third parties and that interests are not acquired in companies, joint ventures or other enterprises without the necessary approval, following consultation with the S151 Officer.

Responsibilities of Service Manager Finance and Risk Management – Trust Funds and Funds Held for Third Parties

3.138 To arrange for all trust funds to be held, wherever possible, in the name of the authority. All officers acting as trustees by virtue of their official position shall deposit securities, etc relating to the trust with the S151 Officer, unless the deed otherwise provides.

3.139 To arrange, where funds are held on behalf of third parties, for their secure administration approved by the S151 Officer, and to maintain written records of all transactions.

3.140 To ensure that trust funds are operated within any relevant legislation and the specific requirements of each trust.

Responsibilities of the S151 Officer – Imprest Accounts

3.141 To provide employees of the authority with cash or bank imprest accounts to meet minor expenditure on behalf of the authority and to prescribe rules for operating these accounts. Minor items of expenditure should not exceed the prescribed amount except in exceptional circumstances.

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

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

Responsibilities of Corporate Heads/Service Managers – Imprest Accounts

3.144 To ensure that employees operating an imprest account:

- Obtain and retain vouchers to support each payment from the imprest account. Where appropriate, an official receipted VAT invoice must be obtained;
- Make adequate arrangements for the safe custody of the account;
- Produce upon demand by the S151 Officer cash and all vouchers to the total value of the imprest account;

- Record transactions promptly;
- Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the imprest holder;
- Provide the S151 Officer with a certificate of the value of the account held at 31 March each year;
- Ensure that the float is never used to cash personal cheques or to make personal loans and that the only payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made;
- On leaving the authority's employment or otherwise ceasing to be entitled to hold an imprest advance, an employee shall account to the S151 Officer for the amount advanced to him or her or hand it over to the new officer responsible for it, notifying the S151 Officer of this change.

STAFFING

Why is this important?

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

Key Controls

3.146 The key controls for staffing are:

- a) an appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched;
- b) procedures are in place for forecasting staffing requirements and cost;
- c) controls are implemented that ensure that staff time is used efficiently and to the benefit of the authority;
- d) checks are undertaken prior to employing new staff to ensure that they are appropriately qualified, experienced and trustworthy;
- e) appointments shall only be made in accordance with recognised need and statutory requirements.
- f) Early termination of employment shall only be made in accordance with the authority's approved policies, procedures and statutory requirements.

Responsibilities of the S151 Officer

- 3.147 To ensure that budget provision exists for all existing and new employees.
- 3.148 To act as an advisor to the Service Manager Human Resources on areas such as National Insurance and pension contributions, as appropriate.
- 3.149 To make arrangements for the assessment and payment of all pay and emoluments due to employees of the authority. He/she shall approve the forms of records used in all services of the authority.
- 3.150 The Corporate Head Finance and Resources shall be authorised to implement all nationally agreed pay awards, except in so far as such awards require a discretion to be exercised by the authority, and following advice from the Service Manager Human Resources.
- 3.151 The Corporate Head Finance and Resources shall hold all National Insurance and taxation records for employees.
- 3.152 The Corporate Head Finance and Resources shall be authorised to write off any overpayment of salaries, wages or pension which occurs as a result of the death of an employee or pensioner during the period covered by the payment.

Responsibilities of Corporate Heads and Service Managers:

- 3.153 To produce an annual staffing budget for their service area.
- 3.154 To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision (including on-costs and overheads).
- 3.155 To ensure that a robust business case is prepared to support staff requisitions and any early termination of employment.
- 3.156 To monitor staff activity to ensure adequate control over such costs as sickness, overtime, training and temporary staff.
- 3.157 To ensure that the staffing budget is not exceeded without due authority and that it is managed to enable the agreed level of service to be provided.
- 3.158 To ensure that the S151 Officer is immediately informed if the staffing budget is likely to be materially over or underspent.
- 3.159 Corporate Heads and Service Managers will keep a record of details of absence for the employees under their control.
- 3.160 To carry out regular employee performance and development reviews.
- 3.161 To notify the S151 Officer and the Service Manager Human Resources within seven days of all appointments, dismissals, resignations, transfers, retirements, changes in rates of pay, etc of all employees other than normal increments or national pay awards.
- 3.162 Service Manager Human Resources to notify Exchequer Services on behalf of S151 Officer of annual pay settlement and any changes arising out of job evaluation.
- 3.163 To ensure that appropriate time keeping arrangements are in place and monitored.

Responsibilities of Service Manager Human Resources

- 3.163 To act as advisor on strategic human resources and employment law advice to service managers.

SECTION 4: FINANCIAL SYSTEMS AND PROCEDURES

GENERAL

Why is this important?

- 4.01 Service Areas have many systems and procedures relating to the control of the authority's assets, including purchasing, costing and management systems. Service Areas are increasingly reliant on computers for their financial management information. The information must therefore be accurate and the systems and procedures sound and well administered. They should contain controls to ensure that transactions are properly processed and errors detected promptly.
- 4.02 The S151 Officer has a professional responsibility to ensure that the authority's financial systems are sound and should therefore be notified of any new developments or changes.

Key Controls

- 4.03 The key controls for systems and procedures are:

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

Responsibilities of the S151 Officer

- 4.04 To make arrangements for the proper administration of the authority's financial affairs, including:
 - issue advice, guidance and procedures for officers and others acting on the authority's behalf;
 - determine the accounting systems, form of accounts and supporting financial records;
 - establish arrangements for audit of the authority's financial affairs;
 - approve any new financial systems to be introduced
 - approve any changes to be made to existing financial systems.

Responsibilities of Corporate Heads and Service Managers

- 4.05 To ensure that accounting records are properly maintained and held securely.
- 4.06 To ensure that vouchers and documents with financial implications are not destroyed, except in accordance with arrangements approved by the S151 Officer.
- 4.07 To ensure that a complete audit trail, allowing financial transactions to be traced from the accounting records to the original document, and vice versa, is maintained.
- 4.08 To incorporate appropriate controls to ensure that, where relevant:
 - all input is genuine, complete, accurate, timely and not previously processed;
 - all processing is carried out in an accurate, complete and timely manner;
 - output from the system is complete, accurate and timely.
- 4.09 To ensure that the organisational structure provides an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice.
- 4.10 To ensure there is a documented and tested disaster recovery plan to allow information system processing to resume quickly in the event of an interruption.
- 4.11 To ensure that systems are documented and staff trained in operations.
- 4.12 To consult with the S151 Officer before changing any existing system or introducing new systems.
- 4.13 To establish a scheme of delegation identifying officers authorised to act upon the Service Manager's behalf in respect of payments, income collection and placing orders, including variations, and showing the limits of their authority.
- 4.14 To supply lists of authorised officers, with specimen signatures and delegated limits, to the S151 Officer, together with any subsequent variations.
- 4.15 To ensure that effective contingency arrangements, including back-up procedures, exist for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 4.16 To ensure that, where appropriate, computer systems are registered in accordance with data protection legislation and that staff are aware of their responsibilities under the legislation.

- 4.17 To ensure that relevant standards and guidelines for computer systems issued by Information Technology are observed.
- 4.18 To ensure that computer equipment and software are protected from loss and damage through theft, vandalism, etc.
- 4.19 To comply with the copyright, designs, licences and patents legislation and, in particular, to ensure that:
 - only software legally acquired and installed by the authority is used on its computers;
 - staff are aware of legislative provisions
 - in developing systems, due regard is given to the issue of intellectual property rights.

INCOME

Why is this important?

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

Key Controls

4.21 The key controls for income are

- a) all income due to the authority is identified and charged correctly, in accordance with an approved charging policy, which is regularly reviewed;
- b) all income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery;
- c) all money received by an employee on behalf of the authority is paid without delay to the S151 Officer or, as he or she directs, to the authority's bank or National Giro account, and properly recorded. The responsibility for cash collection should be separated from that:
 - for identifying the amount due
 - for reconciling the amount due to the amount received
- d) effective action is taken to pursue non-payment within defined timescales;
- e) formal approval for debt write-off is obtained;
- f) appropriate write-off action is taken within defined timescales;
- g) appropriate accounting adjustments are made following write-off action;
- h) all appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule;
- i) money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

Responsibilities of the S151 Officer

- 4.22 To agree arrangements for the collection of all income due to the authority and to approve the procedures, systems and documentation for its collection.
- 4.23 To order and supply to departments all receipt forms, books or tickets and similar items and to satisfy himself or herself regarding the arrangements for their control.

- 4.24 To agree the write-off of bad debts up to an approved limit as detailed in Appendix A in each case and to refer larger sums to the Cabinet.
- 4.25 To approve all debts to be written off in consultation with the relevant Service Manager and to keep a record of all sums written off up to the approved limit as detailed in Appendix A and to adhere to the requirements of the Accounts and Audit Regulations (amended) (England) 2006.
- 4.26 To obtain the approval of the Cabinet in consultation with the relevant Service Manager for writing off debts in excess of the approved limit as detailed in Appendix A.
- 4.27 To ensure that appropriate accounting adjustment are made following write-off action.

Responsibilities of Corporate Heads and Service Managers

- 4.28 To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT. The policy should be fundamentally reviewed every three years and include indicative increases for the following two years (at least) in line with inflation. This review should be undertaken in line with corporate policies and advice from the Corporate Head Finance and Resources.
- 4.29 To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable.
- 4.30 To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- 4.31 To issue official receipts or to maintain other documentation for income collection.
- 4.32 To ensure that at least two employees are present when post is opened so that money received by post is properly identified and recorded
- 4.33 To hold securely receipts, tickets and other records of income for the appropriate period.
- 4.34 To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- 4.35 To ensure that income is paid fully and promptly into the appropriate authority bank account in the form in which it is received. Appropriate details should be recorded on to paying-in slips to provide an audit trail. Money collected and deposited must be reconciled to the bank account on a regular basis.
- 4.36 To ensure income is not used to cash personal cheques or other payments.

- 4.37 To supply the S151 Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable the S151 Officer to record correctly the sums due to the authority and to ensure accounts are sent out promptly. To do this Service Managers should use established performance management systems to monitor recovery of income and flag up areas of concern to the S151 Officer. Service Managers have a responsibility to assist the S151 Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the authority's behalf. Only up to approved levels of cash can be held on the premises.
- 4.38 To keep a record of every transfer of money between employees of the authority. The receiving officer must sign for the transfer and the transferor must retain a copy.
- 4.39 To recommend to the S151 Officer all debts to be written off and to keep a record of all sums written off up to the approved limit. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note to replace a debt can only be issued to correct a factual inaccuracy or administrative error in the calculation and/or billing of the original debt.
- 4.40 To obtain the approval of the Cabinet where required.
- 4.41 To notify the S151 Officer of outstanding income relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the S151 Officer and not later than the end of the first full working week in April.

ORDERING AND PAYING FOR WORK, GOODS AND SERVICES

Why is this important?

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

General

- 4.43 Every officer and member of the authority has a responsibility to declare any links or personal interests that they may have with purchasers, suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority, in accordance with appropriate code of conduct.
- 4.44 Official orders must be in a form approved by the S151 Officer. Official orders must be issued for all work, goods or services to be supplied to the authority, except for supplies of utilities, periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the S151 Officer.
- 4.45 Verbal orders shall only be given in cases of emergency and these shall always be confirmed by an official order not later than the next working day.
- 4.46 Apart from petty cash, the normal method of payment from the authority shall be by cheque or other instrument or approved method, drawn on the authority's bank account or National Giro account by the S151 Officer. The use of direct debit shall require the prior agreement of the S151 Officer.
- 4.47 Each order must conform to the guidelines approved by the Council. Standard terms and conditions must not be varied without the prior approval of the S151 Officer.
- 4.48 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.
- 4.49 All invoices, accounts and certificates due for payment shall be in the name of South Kesteven District Council, except where by agreement the Authority is acting as paymaster for an authorised agent of the Council.
- 4.50 Invoice should be paid within 30 days, or other agreed period, to comply with the national Best Value Performance Indicator requirement.

4.51 Use of the Council's credit card facility does not remove the need for the rules and controls to be followed.

Key Controls

4.52 The key controls for ordering and paying for work, goods and services are:

- a) all goods and services are ordered only by appropriate persons and are correctly recorded;
- b) all goods and services shall be ordered in accordance with the authority's Contract Procedure Rules unless they are purchased from sources within the authority;
- c) goods and services received are checked to ensure they are in accordance with the order. Goods should not be received by the person who placed the order;
- d) payments are not made unless goods have been received by the authority to the correct price, quantity and quality standards;
- e) all payments are made to the correct persons, for the correct amount and are properly recorded, regardless of the payment method;
- f) all appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention schedule;
- g) all expenditure, including VAT, is accurately recorded against the right budget and any exceptions are corrected;
- h) in addition, the effect of e-business/commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically;
- i) orders may only be made provided that monies are available in the approved budgets;
- j) an order shall not be issued for a value less than the specified value solely as a means of avoiding compliance with the provisions of the authority's Contract Procedure Rules.

Responsibilities of the S151 Officer

- 4.53 To ensure that all the authority's financial systems and procedures are sound and properly administered.
- 4.54 To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- 4.55 To approve the form of official orders and associated terms and conditions.
- 4.56 To make payments from the authority's funds on the Corporate Heads' or Service Managers' authorisation that the expenditure has been duly incurred in accordance with the financial regulations.

- 4.57 To make payments, whether or not provision exists within the estimates, where the payment is specifically required by statute or is made under a court order.
- 4.58 To make payments to contractors on the certificate of the appropriate Corporate Head or Service Manager, which must include details of the value of work, retention money, amounts previously certified and amounts now certified.
- 4.59 To provide advice and encouragement on making payments by the most economical means.
- 4.60 To ensure that a budgetary control system is established that enables commitments incurred by placing orders to be shown against the appropriate budget allocation so that they can be taken into account in budget monitoring.

Responsibilities of Corporate Heads and Service Managers

- 4.61 To ensure that the Authority's official electronic order (e-procurement) system is used for all goods and services.
- 4.62 To ensure that official orders are used for all goods and services, in a form approved by the S151 Officer other than the exceptions specified above in section 4.43.
- 4.63 Orders shall not be given otherwise than above except in cases of urgency, and such orders shall be confirmed as soon as possible by means of written orders unless any variation from these arrangements has been agreed with the S151 Officer.
- 4.64 In no circumstances must the issue of an official order be delayed until the account covering such orders has been received. Orders shall specify the nature and quantity of the services or goods required and any relevant contract or agreed prices.
- 4.65 To ensure that orders are only used for goods and services provided to the service area. Individuals must not use official orders to obtain goods and services for their private use.
- 4.66 To notify the S151 Officer of those staff authorised to initiate official orders, and the financial limit that applies before an order is referred back to him via the e-procurement system.
- 4.67 The S151 Officer shall be notified of the officers authorised to sign the summary of orders raised, together with specimen signatures. The authoriser of the order should be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary.

Best value principles should underpin the authority's approach to procurement. Value for money should always be achieved.

- 4.68 Corporate Heads and Service Managers must ensure that adequate security is maintained over ordering procedures. Where circumstance prevent the use of the official orders, periodic records should be set up, eg gas, electricity, water, rates, specialist services, telephones.
- 4.69 To ensure that goods and services are checked on receipt to verify that they are in accordance with the order. This check should, where possible, be carried out by a different officer from the person who authorised the order. Appropriate entries should then be made on the finance system and inventories/stock records.
- 4.70 All invoices for payment should be sent directly to Exchequer Services for payment. Where invoices cannot be processed directly by Exchequer Services, a different officer from the person who authorised the order, and in every case, a different officer from the person checking a written invoice, should authorise the invoice.
- 4.71 As soon as possible after 31 March in each year Corporate Heads and Service Managers shall furnish the Corporate Head Finance and Resources with a complete list of all known outstanding accounts, debts and liabilities in such form and in accordance with such timescales as the Corporate Head Finance and Resources requires.
- 4.72 To ensure that the department obtains best value from purchases by taking appropriate steps to obtain competitive prices for goods and services of the appropriate quality, with regard to the best practice guidelines issued by the S151 Officer, which are in line with best value principles and contained in the authority's Contract Procedure Rules.
- 4.73 To follow purchasing procedures established by the Contract Procedure Rules, where appropriate put purchases out to competitive quotation or tender. These will comply with standing orders relating to tenders and contact (Contract Procedure Rules) and will cover:
 - authorised officers and the extent of their authority;
 - advertisement of tenders;
 - procedure for creating, maintaining and revising a standard list of contactors;
 - selections of tenderers;
 - compliance with UK and EU legislation and regulations;
 - procedures for the submission, receipt, opening and recording of tenders;
 - the circumstances where financial or technical evaluation is necessary;
 - procedures for negotiation;
 - acceptance of tenders;

- the form of contract documentation;
- cancellation clauses in the event of corruption or bribery
- contract records

4.74 To ensure that employees are aware of the authority's code of conduct for officers.

4.75 To ensure that loans, leasing or rental arrangements are not entered into without prior agreement from the S151 Officer. This is because of the potential impact on the authority's borrowing powers, to protect the authority against entering into unapproved credit arrangements and to ensure that value for money is being obtained.

4.76 To notify the S151 Officer of outstanding expenditure relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the S151 Officer and, in any case, not later than the end of the first full working week in April.

4.77 With regard to contracts for construction and alterations to buildings and for civil engineering works, to document and agree with the S151 Officer the systems and procedures to be adopted in relation to financial aspects, including certification of interim and final payments, checking, recording and authorising payments, the system for monitoring and controlling capital schemes and the procedures for validation of subcontractors' tax status.

4.78 To notify the S151 Officer immediately of any expenditure to be incurred as a result of statute/court order where there is no budgetary provision.

Responsibilities of the Service Manager Finance and Risk Management

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

- receipt of goods and services;
- that the invoice has not previously been paid
- that expenditure has been properly incurred and is within budget provision;
- that prices and arithmetic are correct and accord with quotations, tenders, contracts or catalogue prices;
- correct accounting treatment of tax;
- that the invoice is correctly coded;
- that discounts have been taken where available;
- that appropriate entries are made in accounting records;
- where payments are made in advance the goods, works or services are subsequently received;
- the account has not previously been passed for payment.

- 4.80 Appropriate amounts are charged to the correct accountancy code or codes as agreed with the Corporate Head Finance and Resources, details of any value added tax are extracted and shown separately on each invoice and any amounts due to be paid to sub-contractors in the constructions industry (as defined in the Finance (No2) Act 1975 or other legislation in the behalf) are shown in the manner indicated by the Corporate Head Finance and Resources.
- 4.81 The arithmetical accuracy of each invoice shall be checked except to the extent that a system of selective checking is in use in accordance with a scheme approved by the Corporate Head Finance and Resources.
- 4.82 To ensure that payments are not made on a photocopies or faxed invoice, statement or other document other than the formal invoice. Any instances of theses being rendered should be reported to Internal Audit.
- 4.83 To encourage suppliers of goods and services to receive payment by the most economical means for the authority. It is essential, however, that payments made by direct debit have the prior approval of the Corporate Head Finance and Resources.
- 4.84 To ensure that all appropriate payment records are retained and stored for the defined period, in accordance with the document retention schedule attached as Annex 2.

Credit Card

- 4.85 The Council's credit card may be used for purchases where immediate payment is required, ie when using internet purchasing facilities.
- 4.86 Credit card transactions must be recorded on a credit card form, which is controlled stationery available from Exchequer Services and an official order raised via the e-procurement system. When using the credit card, the supplier should be recorded as South Kesteven District Council.
- 4.87 The credit card details must be kept secure at all times.

Contracts for Building Constructions or Engineering Works

(To be read in conjunction with the Contract Procedure Rules.)

- 4.88 Where contracts provide for payment to be made by instalments, the Service Manager Assets and Facilities arranges for the keeping of a contract register or registers to show the state of account on each contract between the Authority and the contractor, together with any payments and the related professional fees.
- 4.89 Payments to contractors on account of contract shall be made only on a certificate issued by the Service Manager Assets and Facilities or Repairs and Improvements Manager (or private architect, engineer, consultant

where engaged by the Authority) or by their deputy or other employee nominated by them in writing for the purpose.

- 4.90 Subject to the provisions of the contract in each case every extra variation shall, unless otherwise evidenced to his/her satisfaction, be authorised in writing by the Service Manager Assets and Facilities or the Repairs and Improvements Manager (or private architect, engineer, consultant) or by their deputy or other employees nominated by them in writing for the purpose.
- 4.91 Any such extra or variation which is estimated to increase the cost of the contract by more than the limits set out in these procedures shall be reported to Cabinet as soon as practicable.
- 4.92 Claims from contractors in respect of matters not clearly within the terms of any existing contract shall be referred to the Chief Executive for consideration of the authority's legal liability and, where necessary, to the Corporate Head Finance and Resources for financial consideration before a settlement is reached.
- 4.93 Where completion of a contract is delayed past the completion date, it shall be the duty of the service manager concerned to take appropriate action in respect of any claim for liquidated damages and to report his/her action to Cabinet.

PAYMENTS TO EMPLOYEES AND MEMBERS

Why is this important?

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

Key Controls

4.95 The key controls for payments to employees and members are:

- a) proper authorisation procedures are in place and that there is adherence to corporate timetables in relations to:
 - starters
 - leavers
 - variations
 - enhancementsand that payments are made on the basis of timesheets or claims;
- b) frequent reconciliation of payroll expenditure against approved budget and bank account;
- c) all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule;
- d) that HM Revenue and Customs regulations are complied with;
- e) that National Insurance regulations are complied with.

Responsibilities of the S151 Officer

- 4.96 To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former employees, in accordance with procedures prescribed by him or her, on the due date.
- 4.97 To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions.
- 4.98 To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- 4.99 To make arrangements for paying members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- 4.100 To provide advice and encouragement to secure payment of salaries and wages by the most economical means.

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

Responsibilities of Service Manager Human Resources

4.102 To ensure appointments are made in accordance with the regulations of the authority and approved grades and scales of pay.

Responsibilities of Service Manager Finance and Risk Management

4.103 To ensure that adequate and effective systems and procedures are operated, so that:

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

Responsibilities of Corporate Heads and Service Managers

4.104 To ensure that adequate budget provision is available for all employee related payments.

4.105 To notify the S151 Officer of all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, in the form and to the timescale required by the S151 Officer.

4.106 To send an up to date list of names of officers authorised to sign records to the Service Manager Finance and Risk Management together with specimen signatures. Exchequer Services should have signatures of personnel officers and officers authorised to sign timesheets and claims.

4.107 To ensure that payroll transactions are processed only through the payroll system. Service Managers should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HM Revenue and Customs applies a tight definition for employee status, and in cases of doubt, advice should be sought from the S151 Officer.

4.108 To certify travel and subsistence claims and other allowances. Certification is taken to mean that journeys were authorised and expenses properly and necessarily incurred and that allowances are properly payable by the authority, ensuring that cost-effective use of travel arrangements is achieved. Due consideration should be given to tax implications and that the S151 Officer is informed where appropriate.

Travel and subsistence claims should not be submitted for payment when they are below the de-minis level stated in Appendix A.

- 4.109 To ensure that the S151 Officer is notified of the details of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
- 4.110 To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule.

Responsibilities of Members

- 4.111 To submit claims for members' travel and subsistence allowances on a monthly basis and, in any event, within one month of the year end.

TAXATION

Why is this important?

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

Key Controls

4.113 The key controls for taxation are:

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

Responsibilities of the S151 Officer

4.114 To complete all HM Revenue and Customs returns regarding PAYE

4.115 To complete a monthly return of VAT inputs and outputs to HM Revenue and Customs.

4.116 To provide details to HM Revenue and Customs regarding the construction industry tax scheme.

4.117 To maintain up-to-date guidance for authority employees on taxation issues in the accounting and tax manual.

Responsibilities of Corporate Heads and Service Managers

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

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

4.120 To ensure that all persons employed by the authority are added to the authority's payroll and tax deducted from all payments, except where the

individuals are bona fide self-employed or are employed by a recognised staff agency.

- 4.121 To follow the guidance on taxation issued by the S151 Officer in the authority's accounting and tax manual and VAT manual.

TRADING ACCOUNTS AND BUSINESS UNITS

Why is this important?

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

Responsibilities of the S151 Officer

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

Responsibilities of Corporate Heads and Service Managers

4.124 To consult with the S151 Officer where a business unit wishes to enter into a contract with a third party where the contract expiry date exceeds the remaining life of their main contract with the authority. In general, such contracts should not be entered into unless they can be terminated within the main contract period without penalty.

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

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

4.127 To ensure that each business unit prepares an annual business plan.

SECTION 5: EXTERNAL ARRANGEMENTS

PARTNERSHIPS

Why is this important?

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

General

- 5.03 The main reasons for entering into a partnership are:

- the desire to find new ways to share risk;
- the ability to access new resources;
- to provide new and better ways of delivering services;
- to forge new relationships.

- 5.04 A partner is defined as either;

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

- 5.05 Partners participate in projects by:

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

5.06 Partners have common responsibilities

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

Key Controls

5.07 The key controls for authority partners are:

- a) if appropriate, to be aware of their responsibilities under the authority's financial regulations and the code of practice on tenders and contracts;
- b) to ensure that risk management processes are in place to identify and assess all known risks;
- c) to ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- d) to agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences;
- e) to communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

Responsibilities of the S151 Officer

5.08 To advise on effective controls that will ensure that resources are not wasted.

5.09 To advise on the key elements of funding a project. They include:

- a scheme appraisal for financial viability in both current and future years;
- risk appraisal and management;

- resourcing, including taxation issues;
- audit, security and controls requirements;
- carry-forward arrangements.

5.10 To ensure that the accounting arrangements are satisfactory.

Responsibilities of Corporate Heads and Service Managers

- 5.11 To maintain a register of all contracts entered into with external bodies in accordance with procedures specified by the S151 Officer.
- 5.12 To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the S151 Officer.
- 5.13 To ensure that such agreements and arrangements do not impact adversely upon the services provided by the authority.
- 5.14 To ensure that all agreements and arrangements are properly documented.
- 5.15 To provide appropriate information to the S151 Officer to enable a note to be entered into the authority's statement of accounts concerning material items.

EXTERNAL FUNDING

Why is this important?

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

Key Controls

5.17 The key controls for external funding are:

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

Responsibilities of the S151 Officer

- 5.18 To ensure that all funding notified by external bodies is received and properly recorded in the authority's accounts.
- 5.19 To ensure that the match-funding requirements are considered prior to entering into the agreements and that future revenue budgets reflect these requirements.
- 5.20 To ensure that audit requirements are met.

Responsibilities of Corporate Heads and Service Managers

- 5.21 To ensure that all claims for funds are made by the due date.
- 5.22 To ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded.

WORK FOR THIRD PARTIES

Why is this important?

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

Key Controls

5.24 The key controls for working with third parties are:

- a) to ensure that proposals are costed properly in accordance with guidance provided by the S151 Officer;
- b) to ensure that contracts are drawn up using guidance provided by the S151 Officer and that the formal approvals process is adhered to;
- c) to issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of the S151 Officer

5.25 To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

Responsibilities of Corporate Heads and Service Managers

- 5.26 To ensure that the approval of the Cabinet is obtained before any negotiations are commenced.
- 5.27 To maintain a register of all contracts entered into with third parties in accordance with procedures specified by the S151 Officer.
- 5.28 To ensure that appropriate insurance arrangements are made.
- 5.29 To ensure that the authority is not put at risk from any bad debts.
- 5.30 To ensure that no contract is subsidised by the authority.
- 5.31 To ensure that, wherever possible, payment is received in advance of the delivery of the service.
- 5.32 To ensure that the third party has the appropriate expertise to undertake the contract.
- 5.33 To ensure that such contracts do not impact adversely upon the services provided for the authority.

- 5.34 To ensure that all contracts are properly documented.
- 5.35 To provide appropriate information to the S151 Officer to enable a note to be entered into the statement of accounts.

APPENDIX A:

AUTHORISED LIMITS

Virement Limits

Service Managers	£10,000
Corporate Heads	£10,001 - £20,000
Cabinet Member	£20,001 - £40,000
Cabinet	in excess of £40,000

Emergency Payments under the Emergency Plan

Chief Executive or Corporate Head Finance and Resources Leader and relevant Cabinet member	up to £50,000 in excess of £50,000
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Bad Debt Write-Off

Service Manager countersigned by Section 151 Officer	write off individual debts up to £1,000
Corporate Head countersigned by Section 151 Officer	write off individual debts up to £5,000
Section 151 Officer	write off individual debts up to £20,000
Cabinet	write off individual debts in excess of £20,000

Other

Capital Threshold	£10,000
Inventories Threshold	£1,000
Cheques and electronic payments countersigned by bankers)	£25,000 (subject to approval by bankers)

APPENDIX B:

BIBLIOGRAPHY

Asset Registers: A Practical Guide to Public Services CIPFA (1997)

Best Value Accounting – Code of Practice 2002 CIPFA

Building Effective Partnerships: Practical Guidance for Public Services on Working in Partnership CIPFA (1997)

Code of Practice for Internal Audit in Local Government in the United Kingdom CIPFA (2006)

Code of Practice on Local Authority Accounting in the United Kingdom 2002; A Statement of Recommended Practice CIPFA/LASAAC

Competing Demands – Competition in the Public Services CIPFA (1997)

Guidance for Internal Auditors Auditing Practices Board (1990)

People + Pounds + Property = Services. A Guide to the Use of Capital Accounting to Improve Asset Management and Service Performance CIPFA (1998)

Code of Practice for Treasury Management in the Public Services CIPFA (2001)

Financial Regulations: A Good Practice Guide for an English Modern Council CIPFA (2001)

APPENDIX C

RECOMMENDED PERIODS FOR THE RETENTION OF RECORDS

Type of Document	Retention Period (Years)
Accountancy/Financial	
Abstract of accounts	6
Audited accounts	Retain indefinitely
Budgetary control records	6
Costing records	6
Estimate working papers	2
Financial ledgers	6
Grant claim records	6
Investment records	2
Journals	6
Leasing records	2
Loans records	Retain indefinitely
Record re closing ledgers	6
Telephone call records	2
VAT claims	6
VAT records	3
Voluntary fund accounts	6
Bank Related Records	
Bank paying-in books/slips	6
Bank reconciliation	6
Bank statements	6
Cancelled cheques	2
Cheque books and counterfoils	6
Cheque lists (creditors/payrolls)	2
Loan records and correspondence	2
Paid cheques	4
Returned cheque records	2

Contracts

Final accounts of contracts executed under hand	6
Final accounts of contracts executed under seal	12
Successful tenders	3 years after final payment
Unsuccessful tenders	Retain under final payment is made

Creditor Records

Copy orders	2
Credit notes	6
Creditor invoices	6
Delivery notes	2
Imprest documentation	2
Periodic payment records	6

External Funding

Funding documentation and associated invoice/ payment details	6 years or in accordance with the terms of the individual grant requirements
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Income Records

Cash books	6
Correspondence (income)	2
Debtor accounts (records non-current)	2
Income posting slips and tabulations	2
Periodic income records	2
Receipt books	2
Record of receipt books issued	2
Registrar's quarterly returns	2
Sales records	2

Miscellaneous Records

Annual report	Retain indefinitely
Bound copies of minutes	Retain indefinitely
Capital works tabulations	2

Car leasing and mileage records	3
Car loans	3
Computer system documentation	2
Inland Revenue documentation	6
Inventory records	6
Land searches	6
Member allowances	2
Minutes	2
Postal remittance registers	2
Stock lists	2
Travel claims	6
Valuation lists	Retain indefinitely
Vehicle logs	2
Insurance Records	
Expired insurance contracts	Retain indefinitely
Insurance claims	6
Insurance policy documentation	Retain indefinitely
Insurance register	Retain indefinitely
Payroll	
BACS amendments and output	3
Building society tabulations	3
Copy payslips	6
Correspondence	6
Life certificates (pensions)	2
Monthly BACS listing	3
NI file cashbook	3
NI number changes	3
Payroll adjustment documentation	6
Part time employees' claim forms	6
Pensions personal records	Retain indefinitely
SSP records	4
Staff transfer records	6
South Kesteven District Council	85
Finance Guidance Notes	

Starters' forms	2
Superannuation Records	Retain indefinitely
Tax and NI records	6
Tax code notifications	2
Timesheets	6
Union documentation	2
Weekly BACS listings	3

Note:

- The period of years shown, relates to a complete period following the end of the financial year to which the record relates.
- No documents or records should be disposed of until notification has been received from the District Auditor of the completion of the audit of accounts for the year to which the records relate.
- If a suitable period of retention is in doubt, please refer to the Internal Audit Manager.

Budget Virement Request- single amounts up to and including £10,000

Name						Section				
Reason for Application										
Budget movement detail	Budget to be moved from					Budget to be moved to				
	Cost Centre	Account Code	Activity	Job	Value	Cost Centre	Account Code	Activity	Job	Value
Number										
Number										
Service Manager signature						Date				

Please send this form to the Service Manager for Finance and Risk Management.

Input By		Signature	Date	Journal ref
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Standing orders and financial regulations must be adhered to at all times.

Budget Virement Request– single amounts over £10,000 and up to £20,000

Name						Section				
Reason for Application										
Budget movement detail	Budget to be moved from					Budget to be moved to				
	Cost Centre	Account Code	Activity	Job	Value	Cost Centre	Account Code	Activity	Job	Value
Number										
Number										
Service Manager signature						Date				

Corporate Head signature		Date
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Section 151 Officer Signature		Date
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Please send this form to the Service Manager for Finance and Risk Management.

Input By		Signature	Date	Journal ref
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Standing orders and financial regulations must be adhered to at all times.

Budget Virement Request– single amounts between £20,000 and £40,000

Name						Section				
Reason for Application										
Budget movement detail	Budget to be moved from					Budget to be moved to				
	Cost Centre	Account Code	Activity	Job	Value	Cost Centre	Account Code	Activity	Job	Value
Number										
Number										
Service Manager signature						Date				
Corporate Head signature						Date				
Section 151 Officer Signature						Date				
Portfolio Member Signature						Date				

Please send this form to the Service Manager for Finance and Risk Management.

Input By		Signature	Date	Journal ref
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Standing orders and financial regulations must be adhered to at all times.



SOUTH KESTEVEN DISTRICT COUNCIL

FINANCIAL REGULATIONS

OCTOBER 2007

Financial Regulations Contents

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1. INTRODUCTION

- 1.1 The purpose of these Financial Regulations is to set out the framework of rules for the proper financial administration of the authority and the responsibilities of those carrying out duties with a financial implication. Councillors, employees and outside consultants engaged by the council are required to comply with these Financial Regulations.
- 1.2 Where appropriate, Financial Regulations and other financial instructions must be read in conjunction with Contract Procedure Rules.
- 1.3 Where appropriate, Financial Regulations covering Strategic Directors, Corporate Heads¹ and Service Managers shall include officers and cost centre managers in their services authorised by them to undertake duties. A list of Strategic Directors, Corporate Heads and Service Managers is retained in Financial Services.
- 1.4 References to the S151 Officer shall include those officers of Financial Services authorised by the S151 Officer to undertake specific duties.
- 1.5 Financial Regulations shall be reviewed from time to time by the S151 Officer who shall recommend to the Governance & Audit Committee and Council any amendment which he or she considers necessary. Questions regarding the interpretation of these Financial Regulations shall be referred to the S151 Officer or in his/her absence the Acting S151 Officer.
- 1.6 These Regulations should be read in conjunction with the Guidance Notes which provide details of the underlying processes for the implementation of the Regulations. The Guidance Notes covers the following areas:

Section 1: Financial Management Responsibilities

- Financial Management Standards
- Managing Expenditure
- Accounting Policies, Records and Returns
- The Annual Statement of Accounts

Section 2: Financial Planning

- Financial Planning & Performance Plans
- Budgets and Medium-Term Planning
- Capital Programmes
- Maintenance of Reserves

Section 3: Risk Management and Internal Control

- Risk Management and Internal Control
- Audit
- Preventing Fraud and Corruption
- Assets & Asset Disposal
- Intellectual Property
- Leasing
- Treasury Management
- Staffing

Section 4: Financial Systems and Procedures

- Financial Systems and Procedures
- Income and Expenditure
- Payments to Employees and Members
- Taxation
- Trading Accounts and Business Units

Section 5: External Arrangements

- Partnerships, External Funding & Work for Third Parties

Directors and Corporate Heads may be referred to as Chief Officers by some Authorities and in legislation relating to statutory duties.

2. FINANCIAL REGULATIONS

A: Financial Management Responsibilities

Introduction

A.1 Financial management covers all financial accountabilities in relation to the running of the authority, including the policy framework and budget process.

The Council

A.2 The Council is responsible for adopting the authority's constitution and members' code of conduct and for approving the policy framework and budget within which the Cabinet operates. It is also responsible for approving and monitoring compliance with the authority's overall framework of accountability and control. The framework is set out in its constitution. The full council is also responsible for monitoring compliance with the agreed policy and related Cabinet decisions.

A.3 The Council is responsible for approving procedures for recording and reporting decisions taken. This includes those key decisions delegated by and decisions taken by the Council and the Cabinet. These delegations and the allocations of responsibilities for decision making are set out in the constitution.

The Cabinet

A.4 The Cabinet is responsible for proposing the policy framework and budget to the Council, and for discharging Cabinet functions in accordance with the policy framework and budget.

A.5 Cabinet decisions can be delegated to a committee of the Cabinet, an individual Cabinet member, an officer, joint arrangements or combination of these.

Policy Development Groups (PDG's)

A.6 The PDG's will meet in public and private to make recommendations to Cabinet and Council on development of policies.

The Scrutiny Committee

A.7 The Scrutiny Committee meets in public (except in the case of an exempt item) to review and scrutinise the performance of the Council and can also hold the Cabinet to account for its actions. It has a key role in considering other matters of local concern

Governance and Audit Committee

A.8 The Governance and Audit Committee is a committee of the Council and reports to the Council. The committee oversees the assurance arrangements in place in respect of the Authority's system of governance, internal control and risk management. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors. The committee is responsible for reviewing the external auditor's reports, the annual audit letter, internal audit's annual report and for approval of the annual accounts. .

Standards Committee

A.9 The Standards Committee is responsible for a range of activity concerned with high standards and conduct by members and advising on and revising the code of members' conduct.

Other Regulatory Committees

A.10 Planning, conservation and licensing are not Cabinet functions but are exercised through the politically balanced Development Control and Licensing Committee under powers delegated by the full council.

Independent Remuneration Panel – Welland

A.11 This panel provides independent advice on the members' allowances scheme and pensionable remuneration for members.

The Statutory Officers

Chief Executive (Head of Paid Service)

A.12 The Head of Paid Service is responsible for the corporate and overall strategic management of the authority as a whole. He/she must report to and providing information for the Cabinet, the Council, the scrutiny committee, Policy Development Groups and other committees. He/she is responsible for establishing a framework for management direction, style and standards and for monitoring the performance of the organisation. The Head of Paid Service is also responsible, together with the Monitoring Officer, for the system of record keeping in relation to all the council's decisions.

The Monitoring Officer

A.13 The Monitoring Officer is responsible for promoting and maintaining high standards of conduct and therefore provides support to the Standards Committee. The monitoring officer is responsible for reporting any actual or potential breaches of the law or maladministration to the Council and/or to the Cabinet, and for ensuring that procedures for recording and reporting key decisions are operating effectively.

A.14 The Monitoring Officer must ensure that Cabinet decisions and the reasons for them are made public. He or she must also ensure that council members are aware of decisions made by the Cabinet and of those made by officers who have delegated Cabinet responsibility.

A.15 The Monitoring Officer is responsible for advising all councillors and officers about who has authority to take a particular decision.

A.16 The Monitoring Officer is responsible for advising the Cabinet and/or full council about whether a decision is likely to be considered contrary or not wholly in accordance with the policy framework.

A.17 The Monitoring Officer (together with the Section 151 Officer) is responsible for advising the Cabinet and/or full council about whether a decision is likely to be considered contrary or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include:

- Initiating a new policy
- Committing expenditure in future years to above the budget level

- Incurring interdepartmental transfers above virement limits
- Causing the total expenditure financed from council tax, grants and corporately held reserves to increase, or to increase by more than a specified amount.

A.18 The monitoring officer is responsible for maintaining an up to date constitution.

Corporate Head Finance and Resources (Section 151 Officer)

A.19 The S151 Officer (also referred to in statute as the Chief Finance Officer) has statutory duties in relation to the financial administration and stewardship of the authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- Local Government Finance Act 1992
- Local Government Act 2000
- The Local Government Act 2003
- The Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006

A.20 The S151 Officer is responsible for:

- The proper administration of the authority's financial affairs
- Ensure financial stewardship on behalf of the community
- Setting and monitoring compliance with financial management standards
- Advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- Contributing to corporate management and leadership
- Providing financial advice and information, and advising whether particular decisions are likely to be contrary to the policy framework or budget

- Promoting and encouraging both a basic level of financial awareness amongst all councillors and staff and more detailed financial training for those with specific financial responsibilities
- Leading and managing an effective and responsive financial service
- Preparing the revenue budget and capital programme
- Reporting, at the time the budget is considered and the council tax set, on the robustness of the budget estimates and the adequacy of financial reserves
- To keep under review during the year the finances of the authority, and take action if there is evidence that financial pressures will result in a budget overspend or if there is a shortfall in income
- Treasury management

A.21 Section 114 of the Local Government Finance Act 1988 requires the S151 Officer to report to the Council, Cabinet and external auditor if the authority or one of its officers:

- Has made, or is about to make, a decision which involved incurring unlawful expenditure
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the authority
- Is about to make an unlawful entry in the authority's accounts

A.22 Section 114 of the 1988 Act also requires:

- The S151 Officer to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under Section 114 personally
- The authority to provide the S151 Officer with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under Section 114.

A.23 Part 11 of the Local Government Act 2003 introduces a requirement for the S151 Officer to report upon the robustness of the estimates made for the purposes of the budget and tax setting calculations and the adequacy of proposed reserves.

A.24 It is the duty of the S151 Officer in preparing a report under Section 114 to consult as far as is practicable:

- a) the Chief Executive as the designated head of the authority's paid service under Section 4 of the Local Government and Housing Act 1989;
- b) the designated Monitoring Officer, under Section 5 of the Local Government and Housing Act 1989.

A.25 Where the S151 Officer has made a report under Section 114 he/she shall send a copy to the person responsible for the audit of the authority's accounts and all members of the authority.

A.26 The Council shall hold a meeting within 21 days of the report being sent. In this period up to the meeting, all action in respect of the report must be suspended until it has been considered.

A.27 To enable these duties to be carried out he/she shall be a member of or represented on any officers' management team created by the Council, where he/she considers issues relating to financial implications will be discussed.

A.28 The S151 Officer is responsible for providing advice and guidance over all accounting and financial operations in whichever service they are performed. He/she is the principal financial advisor to the Council, Cabinet and all committees of the Council. He/she shall attend or be represented at all meetings of the Council and at such committees, as he/she considers necessary on the grounds that there are matters of financial importance likely to be discussed.

A.29 The S151 Officer shall be authorised to increase the financial limits/prescribed amounts contained within the following sections of these procedures by the inflation factor deemed most appropriate, subject to increases being notified to all strategic directors, corporate heads and service managers.

Head of Internal Audit

A.30 The Council's internal audit service is outsourced and is, currently, provided by PricewaterhouseCoopers. The role of Head of Internal Audit is provided by PricewaterhouseCoopers as part of this arrangement. Under the CIPFA Code of Practice for Internal Audit in Local Government 2006, the Head of Internal Audit is required to provide annually an opinion

designed to assist the authority to meet its obligations, under Regulation 4 of the Accounts and Audit Regulations, to review at least annually the effectiveness of the system of internal control and also to assist in producing the Statement of Internal Control.

Corporate Heads & Service Managers

A.31 Corporate Heads and Service Managers are responsible for:

- ensuring that Cabinet members are advised of the financial implications of all proposals and that the financial implications have been agreed by the S151 Officer
- signing contracts on behalf of the authority (in accordance with standing orders – contract procedure rules)

A.32 It is the responsibility of Corporate Heads and Service Managers to consult with the S151 Officer and seek approval on any matter liable to affect the authority's finances materially, before any commitments are incurred.

Other Financial Accountabilities

Virement

A. 33 The Council is responsible for agreeing procedures for virement of expenditure between budget headings.

A.34 Corporate Heads and Service Managers are responsible for agreeing in-year virements within delegated limits, in consultation with the S151 Officer where required and they must notify the S151 Officer of all virements.

Treatment of Year-End Balances

A.35 The Governance and Audit Committee is responsible for agreeing procedures for carrying forward under and overspendings on budget headings.

Accounting Policies

A.36 The S151 Officer is responsible for selecting appropriate accounting policies and ensuring that they are applied consistently in line with relevant codes of practice.

Accounting Records and Returns

A.37 The S151 Officer is responsible for determining the appropriate accounting procedures and records for the authority.

A.38 All service units must use the Council's corporate accounting system for their financial management requirements and associated corporate procurement. The S151 Officer must be consulted on any proposal to develop alternative systems.

The Annual Statement of Accounts

A.39 The S151 Officer is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC). The Governance and Audit Committee has been designated by Council as the appropriate Committee responsible for approving the annual statement of accounts.

2. FINANCIAL REGULATIONS

B. Financial Planning

Introduction

B.1 The Council is responsible for agreeing the authority's policy framework and budget, which will be proposed by the Cabinet. In terms of financial planning, the key elements are:

- The Corporate Plan
- The Council's Priorities
- The Medium Term Financial Strategy
- Service Strategies and Service Plans

Policy Framework

B.2 The Council is responsible for approving the policy framework and budget. The policy framework is detailed at Article 4 of the constitution.

B.3 The Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies forming the policy framework and for determining the circumstances in which a decision will be deemed to be contrary to the budget or policy framework. Decisions should be referred to the Council by the monitoring officer.

B.4 The Council is responsible for setting the level at which the Cabinet may reallocate budget funds from one service to another. The Cabinet is responsible for taking in-year decisions on resources and priorities in order to deliver the budget policy framework within the financial limits set by the Council.

Preparation of the Corporate Plan

B.5 The Head of Paid Service is responsible for proposing the corporate plan to the Cabinet for consideration before its submission to the full Council for approval.

Preparation of the Best Value Performance Plan

B.6 The Corporate Head, Performance and Organisational Improvement is responsible for proposing the best value performance plan (BVPP) to the Cabinet for consideration before its submission to the Council for approval.

Budgeting

Budget Format

B.7 The general format of the budget will be approved by the Council having been proposed by the Cabinet on the advice of the S151 Officer. The draft budget should include allocation to different services and projects, proposed taxation levels and contingency funds.

Budget Preparation

B.8 The S151 Officer is responsible for ensuring that a revenue budget is prepared on an annual basis and a general revenue plan on a three-yearly basis for consideration by the Cabinet, before submission to the Council. The Council may amend the budget or ask the Cabinet to reconsider it before approving it.

B.9 The Cabinet is responsible for issuing guidance on the general content of the budget in consultation with the S151 Officer as soon as possible following approval by the Council.

B.10 It is the responsibility of Corporate Heads and Service Managers to ensure that budget estimates reflecting agreed service plans are submitted to the Service Manager Finance and Risk Management and that these estimates are prepared in line with guidance issued by the Cabinet. The Service Manager Finance and Risk Management will monitor this process, and submit the budgets to the Cabinet. The general format of the budget will include items such as:

- The form of the budget presentation (revised current year budget and original budgets for the next three years) and corporate methodology
- Level of inflation for pay, prices and building works
- Expenditure growth or reduction

- Guidance on level of increases for fees and charges
- Levels of reserves and contingencies
- Proposed taxation levels

Budget Monitoring and Control

B.11 The S151 Officer is responsible for providing appropriate financial information to enable budgets to be monitored effectively. He or she must monitor and control expenditure against budget allocations and report to the Cabinet on the overall position on a regular basis.

B.12 It is the responsibility of Corporate Heads and Service Managers to control income and expenditure within their area and to monitor performance, taking account of financial information provided by the S151 Officer. They should report on variances within their own areas. They should also take any action necessary to avoid exceeding their budget allocation and alert the S151 Officer to any problems.

Resource Allocation

B.13 The Corporate Head Finance and Resources is responsible for developing and maintaining a resource allocation process that meets the full council's policy framework.

Preparation of the Capital Programme

B.14 The Corporate Head Finance and Resources is responsible for ensuring that a 3-5 year capital programme is prepared on an annual basis for consideration by the Cabinet before submission to the Council.

Guidelines

B.15 Guidelines on budget preparation are issued to members and strategic directors, corporate heads and service managers by the Cabinet following agreement with the S151 Officer. The guidelines will take account of:

- Legal requirements
- Medium-term planning prospects
- The corporate plan
- Local Area Agreement

- Available resources
- Spending pressures
- Public and user consultation
- Best value and other relevant government guidelines
- Other internal policy documents
- Cross-cutting issues (where relevant eg equality issues)
- Section 17 (Crime and Disorder Act)
- Sustainability (Local Agenda 21)
- Community strategy

Maintenance of Reserves

B.16 It is the responsibility of the S151 Officer to advise the Cabinet and the Council on prudent levels of reserves for the authority. At the time the budget is prepared the Corporate Head Finance and Resources must prepare a report to Council on the robustness of the budget estimates and the adequacy of financial reserves.

2. FINANCIAL REGULATIONS

C. Risk Management and Control of Resources

Introduction

C.1 It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the authority. This should include the proactive participation of all those associated with planning and delivering services.

Risk Management

C.2 The Cabinet is responsible for approving the authority's risk management policy statement and strategy and for reviewing the effectiveness of risk management. The Cabinet is responsible for ensuring that proper insurance exists where appropriate.

C.3 The S151 Officer is responsible for preparing the authority's risk management policy statement, for promoting it throughout the authority and for advising the Cabinet on proper insurance cover where appropriate.

Internal Control

C.4 Internal control refers to the systems of control devised by management to help ensure the authority's objectives are achieved in a manner that promotes economical, efficient and effective use of resources and that the authority's assets and interests are safeguarded.

C.5 The S151 Officer is responsible for advising on effective systems of internal control. These arrangements need to ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They should ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

C.6 It is the responsibility of Service Managers to establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

Audit Requirements

- C.7 The Accounts and Audit (Amended) (England) Regulations 2006 issued by the Department for Communities and Local Government (DCLG) require every local authority to maintain an adequate and effective internal audit.
- C.8 The Audit Commission is responsible for appointing external auditors to each local authority. The basis duties of the external auditor are governed by Section 15 of the Local Government Finance Act 1982, as amended by Section 5 of the Audit Commission Act 1998.
- C.9 The authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

Preventing Fraud and Corruption

- C.10 The Corporate Head Finance and Resources is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

Assets

- C.11 Service managers should ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service are developed and are in place in the event of disaster or system failure. The Council's business continuity plan is held by the Service Manager Finance and Risk Management.

Treasury Management

- C.12 The authority has adopted CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C.13 The Council is responsible for approving the treasury management policy statement setting out the matters detailed in paragraph 15 of CIPFA's Code of Practice for Treasury Management in Local Authorities. The policy statement is proposed to the full council by the Cabinet. The S151

Officer has delegated responsibility for implementing and monitoring the statement.

- C.14 All money in the hands of the authority is controlled by the officer designated for the purposes of Section 151 of the Local Government Act 1972, referred to in the code as the S151 Officer.
- C.15 The S151 Officer is responsible for reporting to the Cabinet and the Council annually a proposed treasury management strategy outlining the expected treasury activity for the forthcoming three years at, or before the start of each financial year.
- C.16 All Cabinet decisions on borrowing, investment or financing shall be delegated to the S151 Officer, who is required to act in accordance with CIPFA's Code of Practice for Treasury Management in Local Authorities.
- C.17 The S151 Officer is responsible for reporting to the Cabinet in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers.

Staffing

- C.18 The Head of Paid Service is responsible for providing overall management to staff. He or she is also responsible for ensuring that there is proper use of the evaluation, or other agreed, systems for determining the remuneration of a job.
- C.19 Corporate Heads and Service Managers are responsible for controlling total staff numbers by:
 - Advising Cabinet of the budget necessary in any given year to cover estimated staffing levels;
 - Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs;
 - The proper use of appointment procedures, including the approval of staff requisitions and use of the job evaluation process where appropriate.

2. FINANCIAL REGULATIONS

D: Systems and Procedures

Introduction

D.1 Sound systems and procedures are essential to an effective framework of accountability and control.

General

D.2 The S151 Officer is responsible for the operation of the authority's accounting systems, the form of accounts and the supporting financial records. Any changes made by Corporate Heads and Service Managers to the existing financial systems or the establishment of new systems must be approved by the S151 Officer. Corporate Heads and Service Managers are responsible for the proper operation of financial processes in their own service areas.

D.3 Any changes to agreed procedures by Corporate Heads or Service Managers to meet their own specific needs should be agreed with the S151 Officer.

D.4 Corporate Heads and Service Managers should ensure that their staff receive relevant financial training that has been approved or provided by the S151 Officer.

D.5 Corporate Heads and Service Managers must ensure that, where appropriate, manual and computer systems are notified in accordance with data protection legislation. Corporate Heads and Service Managers must ensure that staff are aware of their responsibilities under data protection and freedom of information legislation. The Monitoring Officer, as the Council's designated data protection officer, will give advice where appropriate.

Income and Expenditure

D.6 It is the responsibility of the Service Manager Finance and Risk Management to ensure that a proper scheme of delegation has been established within each service area and is operating effectively. The scheme of delegation should identify staff authorised to act on the Service

Manager's behalf, or on behalf of the Cabinet, in respect of payments, income collection and placing orders, together with the limits of their authority. The Cabinet is responsible for approving procedures for writing off debts as part of the overall control framework of accountability and control.

Payments to Employees and Members

D.7 The S151 Officer is responsible for all payments of salaries and wages to all staff, including payments for overtime, and for payment of allowances to members.

Taxation

D.8 The S151 Officer is responsible for advising Service Managers, in the light of guidance issued by appropriate bodies and relevant legislation, as it applies, on all taxation issues that affect the authority.

D.9 The S151 Officer is responsible for maintaining the authority's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate.

Trading Accounts/Business Units

D.10 It is the responsibility of the S151 Officer to advise on the establishment and operation of trading accounts and business units.

2. FINANCIAL REGULATIONS

E: External Arrangements

Introduction

E.1 The local authority provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of its area.

Partnerships

E.2 The Cabinet is responsible for approving delegations, including frameworks for partnerships. The Cabinet is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

E.3 The Cabinet can delegate functions – including those relating to partnerships – to officers. These are set out in the scheme of delegation that forms part of the authority's constitution. Where functions are delegated, the Cabinet remains accountable for them to the full council.

E.4 The Head of Paid Service (or Officers nominated by him/her) represents the authority on partnership and external bodies, in accordance with the scheme of delegation.

E.5 The Monitoring Officer is responsible for promoting and maintaining the same high standards of conduct in partnerships that apply throughout the authority.

E.6 The S151 Officer must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

E.7 Corporate Heads or Service managers are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies.

External Funding

E.8 The S151 Officer is responsible for ensuring that all funding notified by external bodies is received and properly recorded in the authority's accounts.

Work for Third Parties

E.9 The Cabinet is responsible for approving the contractual arrangements for any work for third parties or external bodies.

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO. CEX381

DATE: 25 October 2007

TITLE:	CHILD PROTECTION POLICY
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	YES

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR MRS. MAUREEN SPENCER-GREGSON	
CORPORATE PRIORITY:	ALL	
CRIME AND DISORDER IMPLICATIONS:	YES	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	THIS REPORT IS AVAILABLE VIA THE LOCAL DEMOCRACY LINK ON THE COUNCIL'S WEBSITE WWW.SOUTHKESTEVEN.GOV.UK	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Yes	Full impact assessment required? No
BACKGROUND PAPERS:	None.	

Recommendations

- 1. That the Council formally approve the Child Protection Policy as recommended by Cabinet and give delegated authority to the Chief Executive, in consultation with the relevant Cabinet Member, to make minor changes thereto.**

Background

2. The Council is required, under the Children Act 2004, to make appropriate arrangements to ensure the protection and safeguarding of children and young people.

For an organisation with such a wide range of services which impact on children and young people in many different ways, the only robust means of discharging these obligations is to prepare and maintain a properly resourced Child Protection Policy.

3. At its meeting on the 1 October 2007 the Cabinet considered a draft of such a policy and appointed Councillor Mrs. Maureen Spencer-Gregson as the executive champion for Children and Young Persons. This Strategy is now being presented to Council for formal adoption.

Further Information

4. At County level, the Lincolnshire Safeguarding Children Board has been established as part of the wider development of the Children and Young Persons Agenda generally. As a consequence of this there is likely to be further minor changes to both definitions and contact arrangements and in order to ensure that the Council's policy remains contemporary, it is recommended that delegated authority be given to myself, in consultation with Councillor Spencer-Gregson, to make minor amendments.
5. The scope of the policy covers matters such as behavioural indications of abuse or harm, the arrangements for reporting suspicions to designated agencies, the handling of any complaint made regarding an officer or member of the Council and certain procedural matters which are ancillary to these objectives. The policy applies equally to Councillors, staff and Contractors.
6. A programme of Training has been requested from the Lincolnshire Safeguarding Children Board and will be provided both to all service managers and to those who work with children and young people on a regular basis.
7. Service Plan templates have also been adjusted to ensure that the needs of children and young people are taken into account in the planning of future service provision.

Duncan Kerr
Chief Executive

INITIAL EQUALITY IMPACT ASSESSMENT PRO FORMA

Section: Chief Executive	Names of those undertaking assessment: Duncan Kerr, Beverly Agass, Hilary Lovell	
Name of Policy to be assessed: Child protection Policy	Date of Assessment: 25 th September 2007	Is this a new or existing policy?: New
<p>1. Briefly describe the aims, objectives and purpose of the policy: SKDC accepts the moral and legal responsibility to implement procedures, to provide a duty of care for children and young people, safeguard their well being and protect them from abuse when they are engaged in services organized and provided by the council. For aims and objectives see policy document.</p> <p>2. What are the key performance indicators? None – an audit will be undertaken in January 2008 by the Lincolnshire Children's and Young People's Board</p> <p>3. Who will be affected by this policy? Children and young people</p>		
<p>4. Who is intended to benefit from this policy and in what way? Children and young people – to help safeguard and promote their well being.</p> <p>5. Are there any other organisations involved in the delivery of the service? No</p> <p>6. What outcomes are required from this policy and for whom? Prompt reporting of incidents, raising awareness of issues, relevant procedures in place.</p> <p>7. What factors/forces could contribute/detract from the outcomes? Training of staff</p>		
<p>8. Who are the main stakeholders in relation to the policy? SMT, OMT, Service Managers</p> <p>9. Who implements the policy, and who is responsible for the policy? SMT, OMT, Service Managers</p>		
<p>10. Are there concerns that the policy <u>could</u> have a differential impact on different racial groups? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No</p>		
<p>11. Are there concerns that the policy <u>could</u> have a differential impact on men and women? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No</p>		
<p>12. Are there concerns that the policy <u>could</u> have a differential impact on disabled people? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? The policy needs to take account of the different levels of vulnerability among children and young people.</p>		
<p>13. Are there concerns that the policy could have a differential impact on the grounds of sexual orientation? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this? No</p>		
<p>14. Are there concerns that the policy <u>could</u> have a differential impact on the grounds of age? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?</p>		

Yes as the policy relates to a specific age group – however, this is a statutory obligation.

15. Are there concerns that the policy could have a differential impact on the grounds of religious belief? If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

16. Are there concerns that the policy could have a differential impact on any other groups of people eg those with dependants/caring responsibilities, those with an offending past, those with learning difficulties, transgendered or transsexual people. If yes, please explain. What existing evidence (either presumed or otherwise) do you have for this?

No

17. Are there any obvious barriers to accessing the service eg language, physical access?
Yes – age and ability of the client group.

18. Where do you think improvements could be made?

The policy aims to make it easier for those who have contact with children to recognize abuse. It would be useful to consider publicizing the issues as part of the cross county partnership.

19. Are there any unmet needs or requirements that can be identified that affect specific groups. If yes, please give details.

No

20. Is there a complaints system?

Yes – corporate complaints system.

21. Do we monitor complaints by race, gender, disability, age, sexual orientation, religious belief?

Yes

22. Do we have feedback from managers or frontline staff?

Yes – Service Managers, OMT and SMT

23. Is there any feedback from voluntary/community organisations?

The policy will go to the Children and Young People's Board for consultation.

24. Is there any research or models of practice that may inform our view?

Statutory guidance, government guidance and best practice from other councils. See appendix A of policy.

25. Could the differential impact identified in 8 – 16 amount to there being unlawful discrimination in respect of this policy?

No

26. Could the differential impact identified in 8-16 amount to there being the potential for adverse impact in this policy?

No

27. Can this adverse impact be justified on the grounds of promoting equality of opportunity for one group? Or any other reason?

No

28. Should the policy proceed to a full impact assessment?

No

29. Date on which Full assessment to be completed by

N/A

Signed (Lead Officer):

Date:

CHILD PROTECTION POLICY

**South Kesteven
District Council**

SOUTH KESTEVEN DISTRICT COUNCIL CHILD PROTECTION POLICY AND PROCEDURES

"I DON'T DIRECTLY WORK WITH CHILDREN, SO DOES THIS POLICY AFFECT ME?"

Yes it does!

This policy applies to all situations within the Council's operation, which could potentially involve children or young people, from young children running around in a reception area to home visits where children or young people are present.

Therefore, although your work may not directly impact on or relate to children or young people, you have a responsibility to recognise and respond to child protection situations and concerns appropriately and must be aware of this policy and its procedures. Staff should be aware that young people (under 18) will be working within the Council's buildings, either as members of staff, on modern apprenticeships or as part of the work experience scheme. All staff must remember that in terms of child protection, these individuals are children and as such, are protected by this policy and associated procedures.

This policy affects every South Kesteven District Council staff member, elected member, volunteer and anyone working on behalf of and/or representing the Council.

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- 5(a) Important Rule
- 5(b) Corporate Child Protection Officers and Service Designated Persons
- 5(c) Response Situations
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- 6(a) The Care of Children and Young People
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- 7(a) The Care of the Organisation
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Appendices

- Appendix A – Relevant Legislation and Guidance
- Appendix B – Useful Contacts
- Appendix C – Child Protection Incident Reporting Form
- Appendix D – Example Consent Form
- Appendix E – Consent Form for the use of Cameras and other Image Recorders
- Appendix F – Declaration

1. INTRODUCTION

The Children Act 2004 puts a duty on key statutory agencies to safeguard and promote the welfare of children. The Act embodies five principles that are key to wellbeing in children and young people:

- Being Healthy
- Staying Safe
- Enjoying and achieving
- Making a positive contribution
- Achieving economic well being

In practical terms this means that the Council has a responsibility to provide a safe environment for children and young people and in which their welfare is of paramount importance.

There is a considerable body of legislation, government guidance and standards designed to ensure that children are protected from harm (see Appendix A).

Everybody has a responsibility for the safety of children and young people and in accordance with The Children Act 2004, as an organisation with responsibility for children and young people across its services, South Kesteven District Council has both a moral and legal obligation to ensure a duty of care.

We have a responsibility to safeguard and promote the well being of children and young people who participate in our services, so that they do so in a safe and positive atmosphere free from harassment and bullying. However, we do recognise that not all children have positive experiences in their life, and are committed in our role to promote the welfare of children and young people by encouraging good practice.

The purpose of this policy and its associated procedures is to help protect the children and young people and protect South Kesteven District Council, its staff, elected members and volunteers. The aims of the policy are extremely important to the health and well-being of children and the Council expects all employees to understand the need for this policy and to comply fully with it. If any employee finds that for whatever reason they do not believe that they can comply with this policy and procedure they must notify their Service Manager immediately.

While this policy applies to all council employees, members, volunteers and contractors used by the council there are several district council services with specific responsibilities in relation to safeguarding and promoting the welfare of children. Managers in these areas need to ensure that this responsibility is incorporated into their service plans and where appropriate the work objectives for individual staff members. These are:

Cultural and leisure services. The Council provides and enables a wide range of facilities and services for children such as play schemes and play facilities, sport, parks and leisure centres, events and attractions, and arts centres. Their staff, volunteers and contractors have different levels and types of contact with children

who are users of these services. Appropriate training for staff should be provided, including training on the issues of safe working practices and on creating safe environments for children. Staff should be alert to any indications that a child may need to be safeguarded from harm and know who to contact if they have concerns. They should also be aware of the important contribution they make to children achieving their potential.

Licensing Authorities. The council has a responsibility to undertake its functions under the Licensing Act 2003 with regard to 'the protection of children from harm' – one of four licensing objectives. The council is required to indicate in its statement of licensing policy the body (responsible authority) it judges to be competent to advise it on matters relating to the protection of children from harm. In addition, where a premises licence authorises the exhibition of films, the licence must include a condition requiring the admission of children to be restricted from viewing age-restricted films which have been classified according to the recommendations of the British Board of Film Classification (BBFC) or the licensing authority itself.

Housing. Housing and homelessness staff will have access to family homes/temporary accommodation, in some cases in a time of crisis. In the course of their work they are, therefore, likely to identify initial concerns regarding children's welfare that will need to be referred on to another agency. These concerns may relate to what they have observed or witnessed happening to a child, the physical conditions within the home/accommodation, the family's reactions to a crisis or inconsistencies in the information given to them. In addition, housing staff may hold important information that could assist the county council in carrying out assessments under section 17 or section 47 of the Children Act 1989. Housing staff are also key to an assessment of the needs of families with disabled children who may require housing adaptations in order to participate fully in family life and reach their maximum potential.

Community Leisure and Community Safety Teams often work closely with children and young people. They play an important role in offering young people opportunities to extend and enjoy themselves in a safe environment. They are in an ideal position to be confided in as a trusted adult, and should be alert to signs of abuse or neglect and know how to act upon their concerns about a child's welfare.

Child employment. Young people's development through legitimate employment should be encouraged, however it must be ensured that work is done in a safe environment and within sensible constraints. The council is responsible for administering child employment legislation and local byelaws. Employers of children have a responsibility to safeguard and promote the welfare of children by applying to the local authority for an employment permit for each child they employ.

2. POLICY STATEMENT

South Kesteven District Council accepts the moral and legal responsibility to implement procedures, to provide a duty of care for children and young people,

safeguard their well being and protect them from abuse when they are engaged in services organised and provided by the Council.

2(a) Aims

The Council aims to do this by:

- Raising the awareness of the duty of care responsibilities relating to children and young people throughout the Council
- Actively encouraging good practice amongst all staff, elected members and volunteers throughout the Council and promoting wider awareness wherever possible, i.e. partnership organisations and user groups.
- Creating a safe and healthy environment within all our services, avoiding situations where abuse or allegations of abuse may occur.
- Respecting and promoting the rights, wishes and feelings of children and young people. Listening to children and young people, minimising dangers and working closely with other agencies.
- Recruiting, training, supervising and supporting staff, elected members and volunteers who work with children and young people to adopt best practice to safeguard and protect children and young people from abuse, and themselves against false allegations. Staff and volunteers who work with children and young people will be subject to the appropriate level of Criminal Records Bureau check.
- Responding to any allegations appropriately and implementing the appropriate disciplinary and appeals procedures.
- Ensuring that any contractors who undertake work for the Council have equivalent or better arrangements.

2(b) Objectives

Objectives to achieve these aims:

- To provide appropriate training for staff, elected members and volunteers, to enable them to recognise the potential signs and indicators of abuse and to improve good practice.
- To aid staff, elected members and volunteers to respond sensitively and seriously to a child or young person who discloses information about abuse and be confident and able to take appropriate action swiftly, regardless of whom the allegation is about, e.g. carer/staff member.
- To maintain a level of good working practice at all times and therefore reducing the risk to children and young people under the care of our staff and volunteers.
- To promote the general welfare and well being of children and young people.
- To develop and implement effective procedures for recording and responding to incidents and accidents.
- To develop and implement effective procedures for recording and responding to complaints of alleged or suspected child abuse.

3. WHAT IS CHILD ABUSE OR HARM?

A person may abuse or neglect a child or young person by inflicting harm, or by failing to act to prevent harm. Children and young people may be abused in a family or in an institutional or community setting; by those known to them or, more rarely, by a stranger.

3(a) The Main Forms of Abuse or Harm

There are four main forms of abuse.

Physical Abuse

Physical abuse can include, hitting, shaking, throwing, poisoning, burning or scalding, drowning , suffocating or other wise causing physical harm to a child. Physical harm may also be caused when a parent or carer feigns symptoms or deliberately causes ill health to a child.

Physical abuse, as well as being a result of a deliberate act, can also be caused through omission or the failure to act to protect.

Emotional Abuse

Emotional abuse is the persistent emotional maltreatment of a child such as to cause severe and persistent adverse effects on the child's emotional development. It may involve conveying to children that they are worthless or unloved, inadequate, or valued only insofar as they meet the needs of another person. It may feature age or developmentally inappropriate expectations being imposed on children. These may include interactions that are beyond the child's developmental capability, as well as overprotection and limitation of exploration and learning, or preventing the child participating in normal social interaction. It may involve seeing or hearing the ill-treatment of another. It may involve serious bullying causing children frequently to feel frightened or in danger, or the exploitation or corruption of children. Some level of emotional abuse is involved in all types of maltreatment of a child, though it may occur alone.

Sexual Abuse

Sexual abuse involves forcing or enticing a child or young person to take part in sexual activities, whether or not the child is aware of what is happening. The activities may involve physical contact, including penetration for example, rape or buggery, or non penetrative acts. They may include non contact activities, such as involving children in looking at, or in the production of pornographic material or watching sexual activities or encouraging children to act in sexually inappropriate ways.

Neglect

Neglect is the persistent failure to meet a child's basic physical and/or psychological needs, likely to result in the serious impairment of the child's health or development. Neglect may occur during pregnancy as a result of maternal substance abuse. Once a child is born, neglect may involve a parent or carer failing to provide adequate food and clothing, shelter including exclusion from home or abandonment, failing to protect a child from physical and emotional harm or danger, failure to ensure adequate supervision including the use of inadequate care-takers, or the failure to ensure access to appropriate medical care or treatment. It may also include neglect of, or unresponsiveness to, a child's basic emotional needs.

4. RECOGNISING CHILD ABUSE

Recognising child harm is not easy and it is not the responsibility of Council staff, elected members or volunteers to investigate if the child has suffered or if they are at continued risk of significant harm. They do however have a responsibility to be alert to the signs that a child may be at risk of or suffering significant harm and to report their concerns to Children's Services and or the Police.

4(a) Signs and Indicators

Every child and young person is unique and it is difficult to predict how their behaviour will change as a result of their experience of abuse. Listed on the next page are some physical signs and behavioural indicators that may be commonly seen in children and young people who are abused, it could be one, none or several of these indicators, but remember they may only be an indication and not confirmation that abuse is taking place.

Physical Abuse

Physical Signs Behavioural Indicators

- Unexplained bruising, marks or injuries on any part of the body
- Bruises which reflect hand marks or fingertips (from slapping or pinching)
- Cigarette burns
- Bite marks
- Broken bones
- Scalds
- Injuries which have a pattern to them
- Fear of parents being approached for an explanation
- Aggressive behaviour or severe temper outbursts
- Flinching when approached or touched
- Reluctance to get changed, for example wearing long sleeves in hot Weather
- Depression
- Withdrawn behaviour

- Running away from home
- Reluctance by a parent or child to provide an explanation for an injury and inconsistent explanations for an injury.

Emotional Abuse

Physical signs Behavioural Indicators

- A failure to thrive or grow
- Sudden speech disorders
- Developmental delay, either physical or emotional
- Poor socialisation skills
- Constant eagerness to please
- Withdrawn
- Neurotic behaviour, e.g. hair twisting, rocking
- Being unable to play
- Fear of making mistakes
- Self harm
- Fear of parent being approached regarding their behaviour

Sexual Abuse

Physical Signs Behavioural Indicators

- Pain or itching in the genital/anal areas
- Bruising or bleeding near genital/anal areas
- Sexually transmitted disease
- Vaginal discharge or infection
- Stomach pains
- Discomfort when walking or sitting down
- Sudden or unexplained changes in behaviour, e.g. becoming aggressive or withdrawn
- Fear of being left with a specific person or group of people
- Having nightmares
- Running away from home
- Sexual knowledge which is beyond their age or development age
- Sexual drawings or language
- Bed-wetting
- Saying they have secrets they cannot tell anyone about
- Self harm or mutilation, sometimes leading to suicide attempts
- Eating problems such as overeating or anorexia

Neglect

Physical Signs Behavioural Indicators

- Constant hunger, sometimes stealing food from others
- Constantly dirty or 'smelly'
- Loss of weight, or being constantly underweight
- Inappropriate dress for the conditions

- Complaining of being tired all the time
- Not requesting medical assistance and/or failing to attend appointments
- Having few friends
- Mentioning their being left alone or unsupervised
- Not receiving proper support (e.g. consistently “forgetting” their lunch box)

The above lists are not exhaustive or definitive but are a guide.

4(b) Important Rule

It is important to remember that many children and young people will exhibit some of these signs and indicators at some time, and the presence of one or more should not be taken as proof that abuse is occurring.

There may well be other reasons for changes in behaviour such as death, or the birth of a new baby in the family, relationship problems between parents/carers, etc.

It should be noted that children with disabilities may have additional care needs and this should be remembered when considering the behavioural indicators

REMEMBER

There may be other reasons that a child or young person is exhibiting some of the signs and indicators. However, always talk to your Service Manager if you have any concerns at all about a child.

5. RESPONDING TO CONCERNS AND ALLEGATIONS

These procedures inform all staff, elected members and volunteers of what actions they should take if they have concerns or encounter a case of alleged or suspected child abuse, i.e. response actions. The procedures apply to all South Kesteven District Council staff, elected members and volunteers.

5(a) Important Rule

It is important that all staff, elected members and volunteers are aware that the first person that has concerns or encounters a case of alleged or suspected abuse is not responsible for deciding whether or not abuse has occurred.

However, staff, elected members and volunteers do have a duty of care to the child or young person to report any suspicions you may have. It may be that your concerns are important in enabling these statutory agencies to decide whether any action is necessary

REMEMBER

It is not your job to judge or investigate BUT to inform.

5(b) Corporate Child Protection Officers

Staff, elected members and volunteers can and in certain situations should inform or report any concerns or cases of alleged or suspected abuse to one of a Service Manager, Corporate Head or Strategic Director of the Council.

All of these senior managers are responsible for:

- Ensuring that the Council's Child Protection Policy is adhered to.
- Providing a support role to their staff.
- Ensuring that the relevant staff member records their concerns/completes the disclosure form as soon as possible.
- Recording their own conversations with the person, staff member or child to whom the disclosures were made.
- Contacting the relevant Social Service Office and passing on full details including factual information that they have on the child/young person.
- Providing a contact telephone number for social services to get back to the Council.
- Ensuring that their staff are aware of this policy

Robert Moreland Corporate Head for Partnerships and Organisational Improvement has operational responsibility for corporate issue concerning the every child matters agenda. This includes:

- Increasing awareness of child protection issues within the Council
- Maintaining clear communication channels between the Council and Lincolnshire County Council
- Reviewing the operation of this policy and procedure.
- Assisting in the identification of training needs throughout the organisation.

A Strategic Director and Cabinet member will also be assigned responsibility for acting as a children's champion to pursue all of the wider aims set-out in the Lincolnshire Children and Young People's plan.

Responding to Concerns

Children's Services have a single point of contact for all referrals:

- A CAF / INOC form should be completed as far as possible; this will ensure that all the information is to hand when making the referral. The worker should not delay if all information is not available.
- A referral should be made to Children's Services Customer Services Centre by phoning 01522 782111
- The CAF / INOC form should be completed and signed and sent to the relevant Social Care Officer (CSC will advise of this) within 24 hours of the telephone referral. A copy should be placed in the relevant organisation file.

- The parents/carers of the child should be involved as far as possible, unless it has been decided that this would put the child at further harm. It should be clear about any decisions made and what will happen next.
- The manager should support the worker in making decisions and be available to give advice and guidance, as necessary.

Out of hours contact 01529 413366

Referral to Police

If there are immediate safeguarding concerns or a crime has been committed, please call the police on the numbers below (please note if children's services receive a referral and there are concerns that a crime may have been committed, they Will contact the Police)

Police: Central Referral Unit ; Glyn Hughes 01522 782159 (in hours)

Out of Hours 01522 532222/ 999

If the allegation is against an individual who works with children that they may have behaved in a way which has or may have harmed a child / committed a crime or questions their suitability to work with children contact the Local Authority Designated Officer Sheridan Dodsworth on 01522 554674
E-mail: Sheridan.dodsworth@lincolnshire.gov.uk

Other helpful numbers in the event of any problems:

Lincolnshire County Council

Grantham

Grange House, 46 Union Street, Grantham, NG31 6NZ

Tel 01476 561061 **Fax** 01476 567572

Stamford

38 North Street, Stamford, PE9 2YN

Tel 01780 751821 **Fax** 01780 754533

Children's Services

During office hours - 8.45am to 5.15pm (4.45pm Friday):

Telephone 01522 782111

Email: CSC_SSD@lincolnshire.gov.uk

In an emergency, outside office hours (including weekends or Bank Holidays)
telephone 01529 413366

Referrals to the Children's team should be made after following the detailed guidance available on the County Council's web-site:

<http://www.lincolnshire.gov.uk/section.asp?pageType=1&docId=28246>

Further advice on child protection investigations and enquiries can be obtained from the following document which has been produced by the Lincolnshire Child Protection Committee:

<http://www.lincolnshire.gov.uk/upload/public/attachments/517/investigations.pArea df>

**Lincolnshire Constabulary
(Police)**

Grantham Police Station,
South Divisional Headquarters,
Swingbridge Road,
Grantham,
Lincs.
NG31 7XT.

(Tel) 01476 562501
(Fax) 01476 567004

Stamford Police Station
North Street,
Stamford
PE9 1AD

(T) 01780 752222
(F) 01780 751385

Bourne Police Station
West Street
Bourne
PE10 9PD
(T): 01778 394892
(F): 01778 393394

Market Deeping Police Station
Douglas Road
Market Deeping
PE6 8PA
(T) 01778 343311
(F) 01778 341612

The Lincolnshire police web-site also has information aimed specifically at children and young people. <http://www.lincs.police.uk/index.asp?docID=1186>

NSPCC

Child Protection Helpline
www.nspcc.org.uk

Tel – 0908 800 5000

5(c) Response Situations

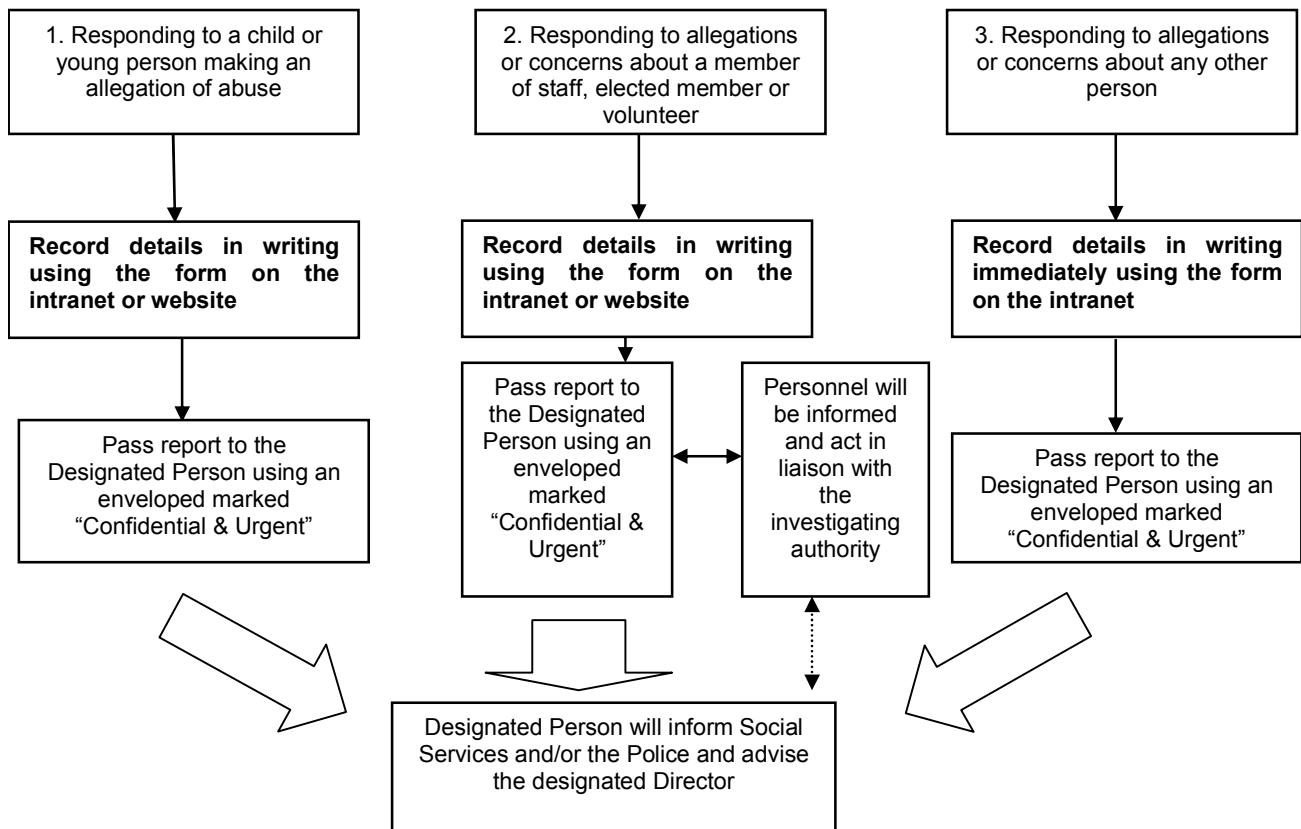
In general there are 3 situations when staff, elected members and volunteers may need to respond to a concern or case of alleged or suspected abuse:

1. Responding to a child or young person disclosing abuse, i.e. they make an allegation of abuse
2. Responding to allegations or concerns about a member of staff, elected member or volunteer
3. Responding to allegations or concerns about any other person, i.e. parent, carer, other service user

5(d) Basic Response Procedures

The following diagram illustrates the basic response procedures/actions that should be followed in each of the above response situations.

3.2 Basic response procedures and actions



In the case of an emergency where a child is in danger please phone 999 immediately before filing a report

Please note: It is not the place of any officer of the Council to investigate allegations therefore all allegations will involve investigating authorities as soon as possible to protect both those making allegations and those who may be the subject to those allegations.

5(e) Specific Response Procedures

More specifically the following procedures should be followed in each situation.

Responding to a child or young person making an allegation of abuse

Abused children and young people will only tell people they trust and with whom they feel safe. By listening and taking seriously what the child or young person is saying, you are already helping the situation. The following points are a guide to help you respond appropriately.

- Stay calm.
- Consider whether it would be advisable to have another person with you to provide an independent record of the discussion.
- Listen carefully to what is said.
- Find an appropriate early opportunity to explain that it is likely that the information will need to be shared with others – **do not promise to keep secrets.**
- Allow the child or young person to continue at their own pace.
- Ask questions for clarification only, and at all times **avoid asking questions** that suggest a particular answer.
- Reassure the child or young person that they have done the right thing in telling you.
- Tell them what you will do next and with whom the information will be shared.
- Record in writing on a Child Protection Incident Reporting Form (see Appendix C) all the details that you are aware of and what was said using the child or young person's own words, as soon as possible. In your record you should include:
 - The date and time.
 - The child or young persons name, address and date of birth.
 - The nature of the allegation.
 - A description of any visible injuries.
 - Your observations – e.g. a description of the child or young person's behaviour and physical and emotional state.
 - Exactly what the child or young person said and what you said. Record the child or young persons account of what has happened as close as possible.
 - Any action you took as a result of your concerns e.g. who you spoke to and resulting actions. Include names, addresses and telephone numbers.
 - Sign and date what you have recorded.
 - Store the information in accordance with relevant procedures, e.g. Data protection
 - Report to and inform your Service Manager who should inform relevant persons, i.e. Social Services and/or the Police if appropriate.

REMEMBER

It is not your job to judge or investigate BUT to inform.

Responding to allegations or concerns against a member of staff, elected Member, volunteer or any other person

- Take the allegation or concern seriously.
- Consider any allegation or concern to be potentially dangerous to the child or young person.
- Record in writing on a Child Protection Incident Reporting Form (see Appendix C) all the details that you are aware of as soon as possible.

If an allegation of abuse is made against a member of staff, volunteer or elected member you should inform one of the Corporate Child Protection Officers (i.e. Service Managers, Service Heads or Strategic Directors) immediately or directly contact Social Services and the Police as appropriate.

They will inform the Chief Executive and consideration will be given to suspending the member of staff from work or moving them to alternative duties not involving contact with children, young people and vulnerable adults – in accordance with the Council’s Disciplinary Policy and Procedure. If one of the Corporate Child Protection Officers is the subject of the suspicion/allegation, the report must be made directly to the Chief Executive.

If it is necessary to conduct an investigation into events surrounding the complaint, this will be conducted in accordance with the Disciplinary Policy and Procedure. The consideration of suspension in such circumstances does not imply guilt but is a neutral course of action, which is designed to ensure that both employees and complainants are protected during the investigation.

5(f) Confidentiality

Every effort should be made to ensure that confidentiality is maintained for all concerned. Information should be handled and disseminated on a need to know basis only, i.e. Service Managers, Social Services, and the Police.

It is extremely important that allegations or concerns are not discussed, as any breach of confidentiality could be damaging to the child or young person, their family and any child protection investigations that may follow.

Informing the parents of a child or young person you may have concerns about needs to be dealt with in a sensitive way and should be done in consultation with Social Services.

Any individual under suspicion has the right to be notified about the cause for concern. This should be done in joint consultation with Social Services and the Police. It is important that the timing of this does not prejudice the investigation. Recorded information should be stored in a secure place with limited access to Corporate Child Protection Officers, in line with data protection laws (e.g. that information is accurate, regularly updated, relevant and secure).

If enquiries arise from the public (including parents) or any branch of the media, it is vital that all staff, elected members and volunteers are briefed so that they do not make any comments regarding the situation. Staff, elected members and volunteers should be informed who the relevant designated Council spokesperson will be, and all enquiries directed through them. Staff, elected members and volunteers should reply ‘no comment’ to all questions / enquiries.

5(g) Photography and Pornography

There is increasing evidence that some people have used children and young persons activities and events, as an opportunity to take inappropriate photographs or video footage of children and young people. Staff, elected members and volunteers should be vigilant at all times and any person using cameras or videos within South Kesteven District Council services and at events or activities which involve children and young people should be approached and asked to complete a Consent Form for the use of Cameras and other Image Recorders (see Appendix E).

When commissioning professional photographers or inviting the press to cover Council services, events and activities you must ensure that you make your expectations clear in relation to child protection.

- Check credentials of any photographers and organisations used.
- Ensure identification is worn at all times, if they do not have their own – provide it.
- Do not allow unsupervised access to children or young people or one to one photographic sessions.
- Do not allow photographic sessions outside of the activities or services, or at a child or young persons home.
- Parents must be informed that photographs of their child or young person may be taken during Council services, activities or events, and parental consent forms need to be signed agreeing to this. This must include information about how and where these photographs will be used (see Appendix D).
- It is recommended that the names of children or young people should not be used in photographs or video footage, unless with the express permission of the child or young person's parent.

6. GOOD PRACTICE FOR STAFF, ELECTED MEMBERS AND VOLUNTEERS

6(a) The Care of Children and Young People

It is possible to limit the situations where child and young people abuse may occur, by promoting good practice to all staff, elected members and volunteers. The following basic guidelines will help safeguard children and young people, staff, elected members and volunteers, South Kesteven District Council and other concerned organisations. The guidelines aim to promote positive practice and are examples of care, which should be taken by staff, elected members and volunteers while working with children and young people.

In view of the importance of this subject the Council has appointed all Service Managers as Corporate Child Protection Officers (also termed "designated persons" under this policy).

6(b) Staff, Elected Members and Volunteer Guidelines

Good practice for staff, elected members and volunteers:

- Always be publicly open when working with children and young people.
- Avoid situations where a member of staff, elected member or volunteer and an individual child or young person are alone unobserved.
- Children or young people should never be left unattended. For example, it is the parents/carers responsibility to supervise any children in their care whilst they are visiting the Council offices and children should not be left unattended within the council offices.
- Respect the child or young person and provide a safe and positive environment.
- If any form of physical contact is required it should be provided openly and according to appropriate guidelines, i.e. National Governing Body of Sport Guidelines
- If supervision in changing rooms or similar environments is required, ensure staff work in pairs and never enter opposite sex changing rooms.
- With mixed groups, supervision should be by a male and female member of staff, where possible.
- Staff, elected members and volunteers must respect the rights, dignity and worth of every person and treat everyone equally within the context of the activity.
- Staff, elected members and volunteers must place the well being and safety of the child or young person above the development of performance.
- Staff, elected members and volunteers must feel confident to report concerns or worries about other staff members, elected members or volunteers to the appropriate person in authority, i.e. Service Managers, Corporate Heads, Strategic Directors (Corporate Child Protection Officers), or directly report to Social Services and/or the Police if the Corporate Child Protection Officers cannot be contacted.
- If a child or young person is accidentally injured as the result of a staff member, elected member or volunteers actions, seems distressed in any way, appears to be sexually aroused by your actions, misunderstands or misinterprets something you have done, always report such incidents as soon as possible to your Service Manager and make a written report.
- If a child or young person arrives at the activity or service showing any signs or symptoms that give you cause for concern you must act appropriately and follow the procedures outlined in Section 5.
- It is not good practice for staff, elected members and volunteers to:
 - Spend unreasonable amounts of time alone with children or young people away from others.
 - Take children or young people alone on a car journey, however short.
 - Take children or young people to your home where they will be alone with you.
 - Arrange to meet children or young people outside an organised activity or service.

If these situations are unavoidable, they should only occur with the full prior knowledge and consent of your line manager and the child or young person's parents/carer.

- Staff, elected members and volunteers should never:

- Engage in rough physical games including horseplay.
- Engage in sexually provocative games.
- Allow or engage in inappropriate touching of any form.
- Allow children or young people to use inappropriate language unchallenged, or use it yourself.
- Make sexually suggestive comments about or to a child or young person, even in fun.
- Let any allegation a child or young person makes be ignored or go unrecorded.
- Do things of a personal nature for children and young people that they can do for themselves, e.g. assist with changing.
- Share a room with a child or young person (e.g. overnight accommodation)
- Enter areas designated only for the opposite sex.
- Take a child to the toilet, unless this is an emergency and a second, same sex member of staff is present.
- Use a mobile phone in changing areas, as most modern phones also have a camera built into them.

7. GOOD PRACTICE FOR SOUTH KESTEVEN DISTRICT COUNCIL

7(a) The Care of the Organisation

Anyone could have the potential to abuse children or young people in some way and it is important that all reasonable steps are taken by South Kesteven District Council to ensure that unsuitable people are prevented from working with children and young people.

7(b) Use of Contractors

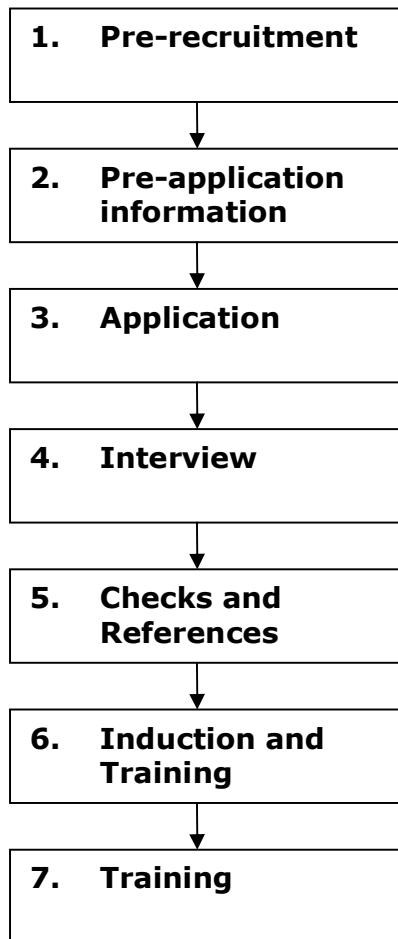
South Kesteven District Council and its staff, elected members and volunteers should undertake reasonable care that contractors doing work on behalf of the Council are monitored appropriately.

Any contractor or sub-contractor, engaged by the Council in areas where workers are likely to come into contact with children, should have its own equivalent Child Protection Policy, or failing this, must comply with the terms of this policy. Where there is potential for contact with children or young people it is the responsibility of the manager who is using the services of the contractor to check that the correct Criminal Records Bureau check has been satisfactorily completed.

7(c) Recruitment and Selection of Staff and Volunteers (where working or having contact with children is a requirement of the job)

It is important that all staff and volunteers working or having contact with children and young people, whether they are full time, part time, paid or unpaid, have the same recruitment and selection procedures applied to them and that we ascertain as much information as possible. The fundamental stages of the procedure for recruiting and selecting staff and volunteers are illustrated in the following diagram.

Fundamental stages in the recruitment and selection of staff and volunteers working with children and young people.



Stage 1 – Pre-recruitment

If any form of advertising is used to recruit staff and volunteers, it should reflect:

- The aims of South Kesteven District Council
- The responsibilities of the role
- The level of experience or qualifications required (e.g. experience of working with children is an advantage)
- South Kesteven District Council's Equal Opportunities Policy and Code of Conduct

Stage 2 – Pre-application Information

The pre-application information e.g. application pack, sent to interested or potential applicants should contain:

- A job description including roles and responsibilities
- A person specification (e.g. stating qualifications or experience required)
- An application form
- A statement clarifying whether a CRB check will be required

Stage 3 – Applicant Information

Information that can/should be requested within the application form and a self declaration form includes:

- Name, address and National Insurance Number
- Past career, relevant interests, any gaps in employment and reasons for leaving
- Relevant experience, educational qualifications, job specific qualifications and training
- Any criminal record
- The names of at least two people (not relatives) willing to provide written references that comment on the applicant's previous experience of, and suitability for, working with children and young people where it is a requirement of the job
- Medical declarations
- The applicant's consent to a Criminal Records Bureau Check being undertaken
- It should be made clear that effective measures are in place to ensure confidentiality of information under the Data Protection legislation.

Stage 4 – Interview

At least two persons should conduct an interview at which they should explore information contained in the application form against the qualities and skills needed in the post.

Stage 5 – Checks and References

Staff and volunteers recruited to work in services for children and young people must be checked for any possible irregularities, which may give reason for concern.

- A check must be carried out with the Criminal Records Bureau at the appropriate level. Personal identification must be requested. The most reliable forms are birth certificates and National Insurance Number. Other forms of identification that can be requested include, passport, driver's license, or another form of identification that gives the applicants full name, date of birth and current address, together with a signature and photograph.

- A minimum of two references must be taken up, and be from reputable sources and where relevant, followed up by letter or telephone. References should include the applicant's suitability to work with children and young people where it is a requirement of the job.

Stage 6 – Induction and Training

It is important that the recruitment and selection process is followed by relevant induction and training in order to further protect children and young people from possible abuse. Appropriate training will enable individuals to recognise their responsibilities with regard to their own good practice and the reporting of suspected poor practice and concerns or allegations of abuse. The induction and training will include:

- Basic awareness of the signs and indicators of abuse and an understanding of their responsibility to act swiftly and sensitively when concerns arise.
- All staff and volunteers need to be aware of the procedures they need to follow in response to any concerns that they have.
- Line Managers should ensure that this policy document is read and understood by all new and existing staff and volunteers and that the policy declaration (Appendix F) is signed and completed.
- Clarification of the job expectations, roles and responsibilities (e.g. through a formal or informal work programme / objectives).

Child protection procedures explained and training needs established.

Stage 7 – Supervision

All staff and volunteers work more effectively when they are well informed, trained and supported. Line Managers should be sensitive to any concerns about abuse, act on them at an early stage and offer support to those who report. It is the responsibility of Line Managers to monitor good practice. This can be done in a number of ways:

- Direct observation of the activity or service.
- Staff appraisals, mentoring and providing feedback on performance.
- Children and young people's feedback on the activities or services.

7 (d) Allegations of abuse against staff, volunteers, elected Members or contractors working for the Council

If an allegation of abuse is made against a member of staff or volunteer, the Service Manager must be informed immediately. Consideration will be given to suspending the member of staff from work or moving them to alternative duties not involving contact with children, young people and vulnerable adults – in accordance with the Council's Disciplinary Policy and Procedure. If the Service Manager is the subject of the suspicion/allegation, the report must be made directly to the responsible Corporate Head etc.

In the event of any allegation concerning an elected member the Chief Executive or his deputy must be informed immediately.

In the event of any allegation concerning a contractor working for the Council the Supervising Officer for that contract along with the relevant Service Manager shall be informed immediately. The matter shall be properly investigated and under this policy the Council may instruct the contractor to re-deploy appropriate staff whilst this investigation proceeds. Once the investigation has been completed appropriate action shall be taken under the terms of the contract (which includes compliance with this policy) this may include restricting or prohibiting specific persons from working for the Council for the duration of that contract.

In all of the above cases if the allegation causes concern that any of the above persons have :

- behaved in a way that has harmed a child, or may have harmed a child;
- possibly committed a criminal offence against or related to a child; or,
- behaved towards a child or children in a way that indicates s/he is unsuitable to work with children.

The service manager must contact Lincolnshire County Council's Local Authority Designated Officer for Managing allegations by calling Sheridan Dodsworth on 01522 554674 E-mail: Sheridan.dodsworth@lincolnshire.gov.uk. Alternatively in an emergency contact Lincolnshire Children's Services Customer Services Centre.

Further advice on procedures for dealing with allegations against staff are available on www.lincolnshire.gov.uk/lscb under red manual code of practice .

If it is necessary to conduct an investigation into events surrounding the complaint, this will be conducted in accordance with the Disciplinary Policy and Procedure. The consideration of suspension in such circumstances does not imply guilt but is a neutral course of action, which is designed to ensure that both employees and complainants are protected during the investigation.

7 (e) Leisurewatch and similar schemes

The Council supports, and will consider the adoption by either itself, or its contractors, accredited assurance systems that support the aims and aspirations of this policy. This will include schemes such as Leisurewatch.

Appendix A

RELEVANT LEGISLATION AND GUIDANCE

Legislation

The Children Act 2004

www.hmso.gov.uk/acts/acts2004/Ukpga_19890041_en_1.htm

Human Rights Act 1998

www.hmso.gov.uk/acts/acts1998/19980042.htm

The Data Protection Act 1998

www.legislation.hmso.gov.uk/acts/acts1998/19980029.htm

The Protection of Children Act 1999

www.dh.gov.uk

Criminal Justice and Court Services Act 2000

www.hmso.gov.uk

Sexual Offences Act 2003

www.hmso.gov.uk

Health and Safety at Work Act 1974

www.hse.gov.uk(add child to searchword)

Criminal Records Bureau (CRB)

www.crb.gov.uk

Guidance

Working Together to Safeguard Children (Department of Health)

<http://www.doh.gov.uk>

Multi-Agency Child Protection Procedures

www.cornwall.gov.uk (add child protection to main home page search)

Every Child Matters (Department for Education and Skills)

www.dfes.gov.uk/everychildmatters

First Check – NSPCC

www.nspcc.org.uk

Appendix B

USEFUL CONTACTS

South Kesteven District Council

Corporate Head Partnerships and Organisational Improvement
Tel – 01476 406069
Email – r.moreland@southkesteven.gov.uk

Every Child Matters

Government guidance can be found on

<http://www.everychildmatters.gov.uk/>

Lincolnshire County Council

Lincolnshire County Council Customer Service Centre
Children's services - 01522 782111

Grantham

Grange House, 46 Union Street, Grantham, NG31 6NZ
Tel 01476 561061 **Fax** 01476 567572

Stamford

38 North Street, Stamford, PE9 2YN
Tel 01780 751821 **Fax** 01780 754533

Childrens Services

During office hours - 8.45am to 5.15pm (4.45pm Friday):
Telephone 01522 782111
Email: CSC_SSD@lincolnshire.gov.uk

In an emergency, outside office hours (including weekends or Bank Holidays)
telephone 01529 413366

Referrals to the Childrens team should be made using the form available on the County Council's web-site :

<http://www.lincolnshire.gov.uk/upload/public/attachments/517/Referral.pdf>

Further advice on child protection investigations and enquiries can be obtained from the following document which has been produced by the Lincolnshire Child Protection Committee:

<http://www.lincolnshire.gov.uk/upload/public/attachments/517/investigations.pdf>

Full details of the work on Every child matters can be found on
<http://www.lincolnshire.gov.uk/children/>

**Lincolnshire Constabulary
(Police)**

Grantham Police Station,
South Divisional Headquarters,
Swingbridge Road,
Grantham,
NG31 7XT.

(Tel) 01476 562501
(Fax) 01476 567004

Stamford Police Station
North Street,
Stamford
PE9 1AD
(T) 01780 752222
(F) 01780 751385

Bourne Police Station
West Street
Bourne
PE10 9PD
(T): 01778 394892
(F): 01778 393394

Market Deeping Police Station
Douglas Road
Market Deeping
PE6 8PA
(T) 01778 343311
(F) 01778 341612

NSPCC

Child Protection Helpline
www.nspcc.org.uk

Tel – 0908 800 5000

Childline is a free helpline for children and young people in the UK. Children and young people can call Childline to talk about any problem 0800 111 or www.childline.org.uk

Samaritans provide a 24-hour service every day of the year to anyone who is in distress and needs someone to talk to. 08457 90 90 90

The Hideout ? information for children who witness to or are injured through domestic abuse www.thehideout.org.uk

There 4 Me ? Confidential online advice for teenagers aged 12-16.
www.There4me.com

Connexions Direct ? Information and advice for young people 0808 0013 219
www.connexions-direct.com

Child Exploitation and Online Protection Centre www.ceop.gov.uk

Information on internet safety and safe surfing for young people
www.thinkuknow.co.uk

Information for Teenagers About Sex & Relationships 0800 28 29 30
www.ruthinking.co.uk New text message service THINK 84465

Kidscape 08451 205 204 (parents bullying helpline) www.kidscape.org.uk

National Drugs Helpline (FRANK) (24 hour free advice) 0800 77 66 00
www.talktofrank.com

Appendix C

South Kesteven District Council

Child Protection Incident Reporting Form

Please fill in as much of the form as you can. It is not necessary to complete all sections for all cases. All information will be treated in strict confidence and should be factual

Date: _____ Time: _____

Venue: _____

Name of Child: _____ Age: _____ Date of Birth: _____

Address:

Postcode: _____

Telephone : _____

Next of Kin: _____

Address (if different from above):

Postcode: _____

Telephone Number (if different from above):

Are you reporting your own concerns or passing on those of someone else? Give details:

Brief description of what has prompted the concerns: include dates, times, etc of any specific incidents:

Any physical signs? Behavioral signs? Indirect signs?

Have you spoken to the child? If so, what was said? Please state verbatim what was said by the child and how did you respond.

Have you spoken to the parent(s)? If so, what was said? Parents will usually be contacted by Social Services but if you are speaking to them – or have spoken to them please refer to section 5(f) on Confidentiality

Has anybody been alleged to be the abuser? If so, give details?

Have you consulted anybody? Give details

Your Name: _____ Position: _____

To whom reported: _____ Date of Reporting: _____

Signature: _____ Date: _____

Please use extra sheets of paper if necessary.

This form should now be given to a Service Manager by hand in a sealed envelope marked confidential.

Appendix D

South Kesteven District Council Example Consent Form

All information will be treated in strict confidence

Please use block capitals and print clearly

Event/Activity: _____ Date: _____

Name of Child: _____ Age: _____ Date of Birth: _____

Home Address:

Postcode: _____

Home Telephone No: _____ Mobile No: _____

Medical Conditions (if any) eg asthma, diabetes, allergies:

I confirm that my son/daughter is in good health and I give consent for my son/daughter to participate in the above event/activity.

I consent to any emergency treatment required by my son/daughter during the course of the event/activity

I give consent for my son/daughter to be photographed during the course of the above event/activity and I consent to the photographs being used by South Kesteven District Council for bona fide promotional purposes. This also includes the use on the World Wide Web (internet).

The information you provide will be used in accordance with the Data Protection Act 1998, to ensure the safety of all participants and may be shared with other people/organisations involved in the delivery of the above event/activity, if appropriate. By signing this form you are consenting to the Council using the information, which you have supplied in the manner stated above.

Name of
Parent/Guardian: _____

Signature: _____ Date: _____

Appendix E

South Kesteven District Council Consent Form for the use of Cameras and other Image Recorders

Venue/Area: _____ Ref No: _____

Description of Equipment:

Surname: _____ Forenames: _____

Address:

Postcode: _____

Telephone No: _____ Mobile No: _____

Fax No: _____ Email Address: _____

Name(s) of the subject(s)

1	4
2	5
3	6

Relationship of the photographer and subject(s):

Reason for taking photographs and/or uses the images are being, or are intended to be put to (ie family record/advertising, etc)

I declare that the information provided is true and correct and that the images will only be used for the purposes stated.

Signed: _____ Date: _____
Authorised by: _____ Date: _____

Positions held: _____

Under the Data Protection Act 1998 the information you have provided will be used only for the purposes of monitoring camera and image recorder use and will be destroyed at the end of a year.

Appendix F

South Kesteven District Council Declaration

South Kesteven District Council is fully committed to safeguarding the well-being of children and young people by protecting them, from neglect, physical, sexual and emotional harm.

Working as an employee or volunteer of South Kesteven District Council or as an elected member it is important that you have taken time to thoroughly read this Child Protection Policy and Procedures.

By being made aware of the policy it is our intention to ensure that all are proactive in providing a safe and secure environment for the children and young people in our care.

Declaration:

I have read and understood South Kesteven District Council's Child Protection Policy and Procedures and I accept the principles therein.

Signed: _____ Date: _____

Name (Please Print): _____

Position in Organisation:

This will be kept in your personnel file.

REPORT TO COUNCIL

REPORT OF: Democracy Service Manager

REPORT NO. DEM006

DATE: 25th October 2007

TITLE:	Representatives on Outside Bodies	
COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	Councillor Ray Auger, Portfolio Access & Engagement	
CORPORATE PRIORITY:	Access	
CRIME AND DISORDER IMPLICATIONS:	None	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	This report is publicly available on the Council's website via the Local democracy link	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? Not Applicable	Full impact assessment required? No
BACKGROUND PAPERS:	Notification from Environmental Protection (UK); letter dated 03.10.7 from Chairman of Governors, Stamford Endowed Schools	

1. INTRODUCTION

This report concerns two further appointments to represent the district council on outside organisations

2. RECOMMENDATION

That the Council considers nominations put forward at the meeting and:

- (1) appoints a representative to serve on Environmental Protection (UK); and
- (2) appoints a representative to serve as a Nominative Governor for Stamford Endowed Schools

3. DETAILS OF REPORT

(1) Environmental Protection (UK)

This organisation (formerly known as the National Society for Clean Air and the Environment) was contacted earlier in the year regarding district council representation but confirmation that a representative is requested has only recently been received. The organisation's new title – Environmental Protection (UK) – is effective from this month, October 2007.

(2) Governors of the Stamford Endowed Schools

Councillor John Nicholson's term as Nominative Governor on the Governing body for the Stamford Endowed Schools has just come to an end. The Governing body is no longer obliged to seek district council representation but have written to the Leader requesting that consideration be given to continuing this representation.

Whilst it is entirely a matter for the council to consider all nominations put forward and elect a representative from those nominees, the Chairman of the Governors has stressed the valuable a role Councillor Nicholson has played as a member of the Governing body; his considerable and valuable knowledge on educational matters has made a significant contribution that has very much been appreciated by the Governors and staff alike.

4. COMMENTS OF THE SECTION 151 OFFICER

Reimbursement of travel expenses will be in accordance with the Council's members' remuneration scheme and are budgeted for within Democratic Representation service budget.

5. COMMENTS OF THE MONITORING OFFICER

The Standards Board for England has provided guidance and advice for "dual-hatted" members arising from service on other public bodies and organisations. Councillors may seek help and guidance on any issues arising from the Council's Monitoring Officer.

6. CONTACT OFFICER

Lena Shuttlewood – Democracy Service Manager
Tel: 01476 406119 e-mail: l.shuttlewood@southkesteven.gov.uk

REPORT TO COUNCIL

REPORT OF: Chief Executive

REPORT NO. CEX383

DATE: 25 October 2007

TITLE:	SKDC Pension Policy: The "Local Scheme"
FORWARD PLAN ITEM:	N/A
DATE WHEN FIRST APPEARED IN FORWARD PLAN:	N/A
KEY DECISION OR POLICY FRAMEWORK PROPOSAL:	YES

COUNCIL AIMS/PORTFOLIO HOLDER NAME AND DESIGNATION:	COUNCILLOR MRS. MAUREEN SPENCER-GREGSON OBE	
CORPORATE PRIORITY:	ALL	
CRIME AND DISORDER IMPLICATIONS:	YES	
FREEDOM OF INFORMATION ACT IMPLICATIONS:	<p>THIS REPORT IS AVAILABLE VIA THE LOCAL DEMOCRACY LINK ON THE COUNCIL'S WEBSITE WWW.SOUTHKESTEVEN.GOV.UK</p> <p>Appendix A to this report is exempt information by virtue of paragraph 2 of Schedule 12A of the Local Government Act 1972 (as amended). Appendix B, parts 1, 2 and 3 are exempt information by virtue of paragraph 5 of Schedule 12A of the Local Government Act 1972 (as amended).</p>	
INITIAL EQUALITY IMPACT ASSESSMENT	Carried out and appended to report? N/A	Full impact assessment required? N/A

BACKGROUND PAPERS:	CEX352; CEX357
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Recommendations

- 1. That the Council note and accept the outcome of the investigations into the adoption by the authority of a local pension scheme in 1996 and endorse both the actions taken to resolve this matter and the action plan that has been prepared.**

Introduction

2. On the 7 September 2006 I reported to Council (report number CEX352) regarding the receipt of an Opinion from a Queen's Counsel on a specific aspect of the authority's pension scheme which, with certain caveats, permitted an employee (or ex-employee) to retire on full pension if their age and length of service totalled 70 or more (hereafter called the "Rule of 70").
3. Local Authority pension schemes are a mixture of statutory provisions (which are binding on all Authorities), and discretionary provisions (which Local Authorities have the discretion to adopt, or vary, in accordance with the powers contained in the relevant legalisation). The "rule of 70" was a discretionary element. It is perfectly feasible, and in practice, quite common for an employee to be eligible to receive a pension under both the statutory and the discretionary provisions.
4. In the opinion of the Counsel this provision, which had been introduced in 1996, was unlawful. At that Council meeting I explained that the legal consequences of this view were complex and that both a further Opinion and detailed investigatory work would need to be completed before I could make any recommendations to Council regarding potential action.
5. To try to assist particularly those members who were not on the Council at the time, the key point of difficulty was that the regulations enable an early retirement (currently after the age of 50, but shortly to rise to 55) provided that such a retirement is in the interest of the efficiency of the service. The rule of 70 adopted by the Council in 1996 granted an early retirement without requiring the Council to calculate the consequence for each application. When the scheme was introduced it had been asserted that, taken in totality, the scheme was in the interests of the efficiency of the Council. The Counsel's advice was that the legislation could not be interpreted in this way and required an assessment on a case-by-case basis. The Counsel concluded that the Council's scheme was fundamentally misconceived in law.

6. It is important to understand that this did not mean that all, or indeed any, of the payments made under the scheme were unlawful. The lawful status of each one would depend on whether there were any other elements of the scheme that entitled them to draw a pension and whether there was, in fact, an assessment of the interests of the efficiency of the service conducted on a case by case basis.
7. At that meeting the Counsel resolved the following:
that:
 - (1) the Council endorse the following actions taken by the Chief Executive:
 - i. The enquiry into the lawfulness of the local scheme;
 - ii. The suspension of this scheme in the light of the Information received;
 - iii. The intention to notify all persons who have benefited from the scheme once the case by case review is concluded;
 - iv. The launch of an investigation into how the current scheme came to be established, what professional advice was provided at the time, how the scheme has been operated and whether members have been kept informed;
 - (2) That a panel comprising the Leader, Portfolio holder for Resources and Chairman of the Resources DSP be appointed to oversee the investigation referred to at (iv) above;
 - (3) That in view of the legal advice received the Council terminates the local scheme provisions within the approved pension policy forthwith; and
 - (4) That a further report be made to the next ordinary meeting of the Council.
8. In accordance with this minute a further report was made to the meeting of the Council on the 26th October (report CEX357) where it was explained that a careful analysis of the cases had identified a total of 23 recipients of the scheme and explained the further advice received from the Counsel regarding the Council's options for dealing with these cases.

9. This second advice is complex and I have included a full copy of it as an exempt appendix B to this report. In essence the Counsel asserted that as these payments were properly certified there was no legal basis to seek recovery of payments made to-date. However he went on to advise that if, following a more detailed case by case consideration, the Council was of the opinion that these claimants were not eligible to receive their pension under any other provision of the scheme, then the Council should initiate a process (which he described in detail) which could ultimately conclude with the withdrawing of the certificate by the Council thus terminating the pension payments.
10. In accordance with this advice the Council commissioned its internal auditors, Pricewaterhouse Coopers to undertake a detailed file by file review, not only of the 23 cases referred to in my report to Council in October, but of all the 54 cases of employees who had retired early, on any grounds, since 1996.

This analysis identified a total of 23 cases which did not meet with a separate provision of the national scheme known as the rule of 85, or had a current age of 65 and were, therefore now entitled to receive an unreduced pension.

11. The files on these remaining cases were then examined in detail to ascertain whether there was any business case or assessment made at the time. The results of this analysis were then provided to the Counsel to enable him to form an opinion on whether there was sufficient assessment made at the time to warrant that the payment was lawful.
12. This analysis has taken some time to complete however on the week beginning the 1 October 2007 I received a further opinion from the Counsel explaining that he was satisfied that the Council had a legal basis for all of these cases and that certificates for the release of the pensions had been lawfully given. The Council should take no further action in respect of those cases identified and reviewed.

Outcome of investigations

13. Separately from the determination of the implications of the Counsel's advice on these individual cases the Council meeting also commissioned two investigations; one into the circumstances that led to the adoption by the authority of this scheme, and one into how the scheme had operated since its adoption. The Council also established a panel to oversee these investigations and to receive a report back.

14. This panel met on the 7 February 2007 and received reports from the persons appointed to conduct these investigations. At this meeting it identified a number of recommendations and learning points. I have assembled these into an action plan which has now been implemented in consultation with the Cabinet portfolio-holder Councillor Maureen Spencer-Gregson. A copy of this plan is enclosed as Appendix A.

Lessons Learnt

15. Some of the principle learning points to emerge have been the importance of having strong corporate governance arrangements, including the clear separation of statutory duties and the need to take clear professional advice, particularly when the Council is considering proposals that are known to be unusual (indeed they were described in the original report as radical).
16. The new structure introduced last year has strengthened the importance of proper procedures as well as securing the right outcomes and this has been reinforced by specific training for all service managers.
17. The consequences of having this policy have been extremely time-consuming, but they could have been a great deal worse. Relationships with the unions and staff have been affected by the unavoidable sudden withdrawal of the scheme. Estimated direct costs in payments to Counsels and investigators total some £7,000 but indirect costs in terms of my own time and that of other very senior officers in the Council are likely to be considerably in excess of this figure.
18. One consequence of the current situation has been that our external auditors have not formally concluded their audit or issued an audit certificate for last year. Hopefully now that this matter has been concluded this certificate will be issued.

Comments of the Monitoring Officer

19. The Monitoring Officer has been informed and consulted throughout the investigation. As Legal Services Manager I have instructed Counsel and obtained the legal opinion attached at appendix B(I). I am satisfied legal opinion received is robust and unequivocal. This Appendix is attached as an exempt appendix for reasons of legal professional privilege. This advice must remain confidential to the Council. If this advice is to be discussed by Members at the Council meeting it must be done so with the exclusion of the press and the public.

20. All cases reviewed can demonstrate lawful reasons for early release of pension being either "rule of 85" or redundancy including retirement in the interests of efficiency (r. 26 Local Government Pension Scheme Regulations 1997). As such, Council are advised that no action should be taken in respect of all the cases reviewed.

Comments of the Deputy Section 151 Officer

21. The Council's Section 151 Officer has been directly involved in the review and investigation of this issue since its emergence last year. Counsel opinion has confirmed that no unlawful expenditure has been incurred and improved corporate governance arrangements are now in place and are detailed at appendix A.

The Section 151 Officer, in consultation with the Council's external auditors and the County Pension Scheme administrator, has reviewed the early release arrangements and procedures and the findings of this review has been incorporated into the updated corporate governance arrangements.

The Council's Section 151 Officer may wish to provide further comments on this matter at the Council meeting.

Furthermore the Council's external auditors have been kept fully informed of developments in this matter and will review the issuing of the audit certificate in due course.

Duncan Kerr
Chief Executive

By virtue of paragraph(s) 2 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

By virtue of paragraph(s) 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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