

# Constitution Committee



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL



---

Monday, 16 May 2022 at 2.00 pm  
Council Chamber - South Kesteven House,  
St. Peter's Hill, Grantham. NG31 6PZ

---

**Committee Members:** Councillor Ray Wootten (Chairman)  
Councillor Breda-Rae Griffin (Vice-Chairman)

Councillor Ashley Baxter, Councillor David Bellamy, Councillor Paul Fellows and  
Councillor Susan Sandall + one vacancy

---

## Agenda

This meeting can be watched as a live stream, or at a later date, via the  
[SKDC YouTube Channel](#)

- 1. Apologies for absence**
- 2. Disclosure of interests**  
Members are asked to disclose any interests in matters for consideration at the meeting.
- 3. Minutes of the meeting held on 25 April 2022** (Pages 3 - 8)
- 4. Updates on Actions from the previous meeting**  
No actions were made at the previous meeting of the Committee.
- 5. Contract Procedure Rules updated** (Pages 9 - 107)  
The report provides details of the proposed updated Contract Procedure Rules.
- 6. Review of Financial Regulations** (Pages 109 - 182)  
The report sets out the proposed changes to the Council's Financial Regulations which form part of the Council's Constitution.

---

Published and despatched by [democracy@southkesteven.gov.uk](mailto:democracy@southkesteven.gov.uk) on Friday, 6 May 2022.

☎ 01476 406080

**Karen Bradford, Chief Executive**

[www.southkesteven.gov.uk](http://www.southkesteven.gov.uk)

**7. Constitution Review**

(To Follow)

- Part 4 – Procedure Rules
- Part 1 (Explanation and Summary) & Part 2 (Articles of the Constitution)  
– decision to recommend to Council deferred from Constitution Committee held on 25 April.

**8. Any other business which the Chairman, by reasons of special circumstances, decides is urgent**

# Minutes

Constitution Committee  
Monday, 25 April 2022  
10:40



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

---

## Committee members present

Councillor Ray Wootten (Chairman)  
Councillor Breda-Rae Griffin (Vice-Chairman)  
Councillor Ashley Baxter  
Councillor David Bellamy  
Councillor Paul Fellows  
Councillor Susan Sandall

## Other Members present

Councillor Kelham Cooke, The Leader of the Council  
Councillor Mark Whittington, Cabinet Member for Waste Services  
Councillor Linda Wootten, Cabinet Member for Governance and Licensing  
Councillor Helen Crawford, Chairman of Planning Committee  
Councillor Phil Dilks

## Officers

Graham Watts, Assistant Director of Governance and Deputy Monitoring Officer  
Emma Whittaker, Assistant Director of Planning  
Lucy Bonshor, Democratic Officer

---

## 43. Apologies for absence

There were none however, due to traffic congestion Councillors Baxter and Fellows were late attending the meeting which started late at 10:40.

## 44. Disclosure of interests

None disclosed.

## 45. Minutes of the meeting held on 7 March 2022

The minutes of the meeting held on 7 March 2022 were proposed, seconded and **AGREED** as a correct record subject to the following amendments:

Page 4, second paragraph at minute 38, last line should read, "Any points made during the meetings had not been reflected within the report which had led to the report being deferred".

Page 6, fourth paragraph down, fifth line, fourth letter “contained” to be removed.

**46. Updates on Actions from the previous meeting**

Updates on actions would be discussed during the meeting.

**47. Planning Services Review - Amendments to the Council's Constitution relating to planning decision making**

The Assistant Director of Planning presented the report which concerned proposed changes to the Council’s Constitution, and recommended amendments to clarify and streamline the planning process. A review of the planning process had been undertaken during the last 12-18 months in respect of both the Planning Service and the Planning Committee. The review had looked at the Planning Committee’s protocols and functions especially looking at delegations to Officers versus the Planning Committee. Work had been undertaken with Members and Officers, and two informal Workshops had been held with the Planning Committee and Officers. The outputs from these meetings were the basis for the series of amendments proposed for the Constitution.

Appendix A listed the delegations, what needed to come before the Planning Committee, and Appendix B was a protocol document which gave guidance to Members around how the Constitution should work, how site visits should be carried out, and the procedure for running a Planning Committee. It was felt that the documents before Members gave a good balance between what the Planning Committee needed to determine an application and what was needed to be delegated to Officers.

*(10:43 Councillor Fellows arrived)*

The Chairman of the Planning Committee stated that a frank, fair and open discussion had taken place at the informal meetings of the Planning Committee with Members and Officers raising concerns that had been addressed within the changes made to the documents. The previous Chairman to the Constitution Committee had attended the last informal workshop meeting and was very happy with how it had been run. She felt that the changes made an excellent Constitution in respect of the Planning Committee. The Chairman of Planning stated that if all Members attended the Planning training, they would have a better understanding of the planning process. She concluded by placing on record her thanks to the Planning Committee Members for their input.

The previous Chairman of the Constitution Committee, echoed the comments made by the Chairman of the Planning Committee and stated it was a model example of how a consultation between Officers and Members should take place.

*(10:44 Councillors Baxter and Dilks arrived)*

One Member commented on the document before the Committee and highlighted various points within the document which covered typographical errors, capitalisation and inconsistencies within the documents. He asked for a legal definition in respect of what was meant by immediate family as it was inconsistent with the documents. The Assistant Director of Planning stated that

common sense needed to be applied to ensure transparency within the decision making process. Immediate family was taken to include who you were co-habiting with. However, if any Member was unsure about whether or not they had a prejudicial interest, they should raise it with the Monitoring or Deputy Monitoring Officer. The Assistant Director of Governance and Deputy Monitoring Officer stated that capitalisation within the whole Constitution was something that would be addressed during the review.

Further issues were highlighted and included:

- 2.6 (page 20) it was felt that this should be split in the same way as 2.7 and 2.8 were.
- What was meant by adjoining property, it was not clear.
- Did members of staff include those who worked within the Council owned companies such as EnvironmentSK Ltd or LeisureSK Ltd.
- Dealing with Lincolnshire County Council applications

The Assistant Director of Planning responded to the issues raised together with the Assistant Director of Governance and Deputy Monitoring Officer. It was stressed that if Members were at all conflicted, they should speak to the Monitoring Officer or the Assistant Director of Planning.

The main area highlighted by the Member concerned paragraph 2.2 (page 19) which no longer allowed any Member within the District to call an application in, only those within their Ward or an application in an adjoining Ward. The Member felt that this was restrictive and a needless change to the delegation. A Member of the Committee who also sat on the Planning Committee stated that the changes proposed were a comprise from the original proposal.

The Assistant Director stated that there was a discretion between herself and the Chairman of Planning if it was felt that an application needed to go before the Committee that was outside the Ward Members area.

The Chairman of Planning stated that she hoped that if a Member had a concern with an application that they would speak to the relevant Ward Member about their concerns.

Further discussion followed with comments being made about the Committee notification (all Members had been notified of the Committee), about the proposed changes in respect of the call-in of a planning application reiterating what the previous Member had stated, the protocol guidance and site visits. The Member felt that the changes proposed were not the best way forward.

Further typographical errors were highlighted and comments made in respect of the proposed deletion of 9c within the Constitution, and the process for refusing an application. It was stated that the review undertaken had found that this was very irregular and not good practice. It was therefore proposed to take this paragraph out of the Constitution; however, it did not stop Members refusing an application. This would be detailed within the Procedure Rules section of the Constitution.

Further discussion followed on the content of paragraph 9c, when it had been used and why, and the need for any planning application refusal to be on material planning grounds only. It was noted that in reference to site visits this had been improved for Members.

Once again reference was made to the informal workshop meetings that had been held with Officers, Members of the Planning Committee and non-Planning Committee Members and the points raised at the meeting today had been discussed thoroughly at the workshops.

The recommendations contained within the report were proposed and seconded.

However, an amendment was put forward to remove some of the wording at 2.2 (1) on Appendix A, words to be removed shown in bold and bracketed.

“In respect of any particular ward: any application for planning permission, approval of reserved matters, conservation area consent, tree works approval or listed building consent where a Councillor **(from that ward or the adjoining ward)** has requested, in writing within 21 days of being notified.....”

The amendment received a seconder but on being put to the vote the amendment was **LOST**.

The original recommendation was voted on and on being put to the vote **AGREED**.

### **Recommendation**

**The Constitution Committee supports the following recommendations to Council:**

- 1. The proposed amendments to the Planning Protocols at Appendices A and B.**
- 2. The deletion of Article 9c in the Constitution.**
- 3. As part of the overall review of the Constitution, that recommendations 1 and 2 are presented to Council for further consideration in May 2022.**

## **48. Constitution Review**

The Assistant Director of Governance and Deputy Monitoring Officer presented the report which provided the Committee with an update on the Constitution review and asked for Parts 1 and 2 to be recommended to Council for approval.

Following the last meeting of the Committee further Member workshops had been held in respect of Part 1 and Part 2 of the Constitution. No substantial changes had been made to the documents following the workshops other than typographical errors. Clean copies of the documents had been appended to the report.

The Assistant Director of Governance and Deputy Monitoring Officer highlighted two small amendments to the documents before Members. A question was asked in relation to Council meetings on page 39 of the pack and the word “normally” in respect of meetings being held in the public domain. It was stated that a Council meeting may need to be held in private as it may contain exempt information to which the press and public would not be party to.

The Chairman stated that a further meeting of the Committee would need to be held to discuss Part 4 of the Constitution which dealt with Procedure Rules. Monday 9 May 2022 at 2pm was proposed for the extra meeting. (This date was moved to Tuesday 10 May 2022 at 2pm due to clashes with Member Training).

Before the next meeting, Member workshops would be held in respect of the proposed changes to Part 4 of the Constitution to which all Members would be invited to attend. Mapping documents would be undertaken showing the proposed changes to Part 4 as submitted with the other parts of the Constitution. The Contract Procedure Rules and the Financial Regulations would also be discussed at the next meeting of the Committee following recommendations made at the Governance and Audit Committee on Wednesday 26 April 2022.

Part 5 of the Constitution would contain codes and protocols, including the Members Code of Conduct which had already been approved. It was not intended to hold any workshops in relation to this part of the Constitution.

Part 6 of the Constitution would cover the Members Allowance Scheme which was currently being reviewed by the Remuneration Panel whose findings would be submitted to Full Council in May.

Part 7 would contain a Management Structure which was a factual document.

A question was asked in respect of Councillors having to sit on Committees. The Assistant Director of Governance and Deputy Monitoring Officer stated that there was no legislation that required a Councillor to sit on a committee. The only legislation in respect of Councillors being able to sit on committees was that Cabinet Members were not allowed to sit on Overview and Scrutiny Committees. There was nothing to prevent Cabinet Members sitting on regulatory committees or any other committee as long as it was not a scrutiny committee.

The recommendations before the Committee were discussed. Some Members felt that they were unable to support the recommendation in respect of Parts 1 and 2 until they had seen the proposal for Part 4.

It was therefore proposed, seconded and **AGREED** to defer a decision until the next meeting of the Constitution Committee.

### **Decision**

**That the recommendations in respect of Part 1 and Part 2 of the Constitution be deferred to the next meeting of the Constitution Committee.**

**49. Any other business which the Chairman, by reasons of special circumstances, decides is urgent**

None.

**50. Close of meeting**

The meeting closed at 11:55.



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**

## Constitution Committee

16 May 2022

**Report of:** Councillor Adam Stokes

Deputy Leader of the Council



## Contract Procedure Rules

This report provides details of the proposed updated Contract Procedure Rules and includes a mapping document to show the changes from the current version to the proposed version.

### Report Author

Richard Wyles, Chief Finance Officer



01476 406210



r.wyles@southkesteven.gov.uk

Corporate Priority:	Decision type:	Wards:
High Performing Council	Budget and Policy Framework	All Wards

<b>Reviewed by:</b>	Alison Hall-Wright, Assistant Director of Finance	5 May 2022
<b>Approved by:</b>	Alan Robinson, Deputy Chief Executive	6 May 2022
<b>Signed off by:</b>	Councillor Adam Stokes, Deputy Leader of the Council	6 May 2022

### Recommendation (s) to the decision maker (s)

1. Constitution Committee is asked to recommend to Council the updated Contract Procedure Rules.

# 1 The Background to the Report

1.1 The Council's Contract Procedure Rules were approved by Council in January 2020. The Council's Contract Procedure Rules (CPR) form part of the Constitution and govern the way in which the Council procures goods, services and works. The current CPR can be found here:

<http://moderngov.southkesteven.gov.uk/documents/s24695/Contract%20Procedure%20Rules%20Report.pdf>.

1.2 The Rules were reviewed in 2020 but procurement best practice has developed significantly since that time along with updated legislation (particular since the United Kingdom left the European). In addition, the Council has incorporated a dedicated procurement resource in its staffing structure thereby recognising the importance of procurement. This resource is further bolstered by the continued operational support and strategic advice and support from Welland Procurement and the CPR have been reviewed within guidance from Welland Procurement.

1.3 The amended CPR (shown at Appendix 1) are now consistent with the other six (Authority) Welland partners so collaboration and shared working on procurement activities will be maximised (such as all the partners adopting the same procurement thresholds). The adoption of the proposed Rules ensure the Council has Rules that reflect the current procurement legislation, provide clarity to procurement officers and ensure there is consistency across service areas. The Rules also set out clarity of the appropriate authority aligned to the value of the contract. In summary the authority levels (the amount is the total contract value and not annual amount) are:

- Up to £50k – Heads of Service or equivalent level (manager)
- £50k up to £100k – Assistant Director, or in the absence of an AD, then Director
- £100k up to £200k – Director (or any Corporate Management Team officer) in consultation with the relevant Cabinet Member
- £200k and above – Key Decision taken by Cabinet

This hierarchical decision-making proposal provides greater clarity and transparency and will ensure those strategic procurement decisions are taken by members whilst allowing operational levels to be considered by the relevant senior officer.

A mapping document is shown at Appendix 2 which aims to provide a summary of the changes between the current set of CPR and the proposed CPR.

Following consideration of the updated CPR by the Committee they will then be presented to Council for approval for their inclusion into the Council's Constitution.

## 2 Consultation and Feedback Received, Including Overview and Scrutiny

2.1 The draft Contract Procedure Rules are recommended (without amendment) to the Constitution Committee by the Governance and Audit Committee who considered them on 20 April 2022.

## 3 Available Options Considered

3.1 The Council could choose not to approve the revised Contract Procedure Rules but there would be the risk that the current Contract Procedure Rules become out of date.

## **4 Preferred Option**

4.1 The preferred option is to seek approval of the revised Contract Procedure Rules.

## **5 Reasons for the Recommendation (s)**

5.1 The reason for seeking approval of the revised Contract Procedure Rules are set out in the report.

## **6 Next Steps – Communication and Implementation of the Decision**

6.1 The draft Contract Procedure Rules are being considered by the Constitution Committee before being recommended for approval by Full Council.

## **7 Financial Implications**

7.1 The financial implications and specifically the procurement financial thresholds are referenced throughout the draft Contract Procedure Rules.

**Financial Implications reviewed by: Richard Wyles, Chief Finance Officer**

## **8 Legal and Governance Implications**

8.1 The Governance and Audit Committee is required to consider any proposed revisions to the Council's Financial Procedure Rules and Contract Procedure Rules. This report facilitates this requirement in respect of Contract Procedure Rules.

8.2 The newly adopted Responsibility for Functions (Part 3) section of the Council's Constitution signposts delegated authority relating to contracts and procurement to the Contract Procedure Rules included in the Constitution. There are no other consequential Constitution amendments that would therefore be required upon adoption of the proposed changes set out in this report.

**Legal Implications reviewed by: Graham Watts, Assistant Director Governance and Deputy Monitoring Officer**

## **9 Equality and Safeguarding Implications**

9.1 None.

## **10 Risk and Mitigation**

10.1 N/a

## **11 Community Safety Implications**

11.1 None.

## **12 How will the recommendations support South Kesteven District Council's declaration of a climate emergency?**

12.1 N/a

## **13 Other Implications (where significant)**

13.1 None.

## **14 Background Papers**

14.1 None.

## **15 Appendices**

- 15.1 Appendix 1 – Draft Contract Procedure Rules
- 15.2 Appendix 2 – Mapping document

# Contract Procedure Rules

April 2022

DRAFT



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

## CONTENTS

- 1 Introduction
- 2 Roles and Responsibilities
- 3 Non-Compliance with these Rules
- 4 Exceptions
- 5 Procurements valued under £10,000
- 6 Procurements valued between £10,000 and £49,999
- 7 Procurements valued between £50,000 and the current Goods and Services Public Procurement Threshold
- 8 Procurements for Works valued between the current Goods and Services Public Procurement Threshold and the current Works Public Procurement Threshold
- 9 Procurements valued over the relevant Public Procurement Threshold
- 10 Procuring via a Framework Agreement or Dynamic Purchasing System (DPS)
- 11 Setting up a Framework Agreement
- 12 Setting up a Dynamic Purchasing System (DPS)
- 13 Public Services (Social Value) Act 2012
- 14 Other Matters to Consider
  - 14.2 Conflict of Interest
  - 14.3 Abnormally Low Bids
  - 14.4 Errors in Tenders
  - 14.5 Receiving late Submissions
  - 14.6 Receiving Irregular Tenders
  - 14.7 GDPR and Data Protection Act 2018 Requirements
  - 14.8 Freedom of Information
  - 14.9 Modern Slavery
  - 14.10 Safeguarding Provisions in Contracts and Grant Arrangements
  - 14.11 Due Diligence
  - 14.12 Impacted of Organised Crime
  - 14.13 Financial Sanctions Legislation
  - 14.14 Sealing a Contract
  - 14.15 Reserving below Threshold procurements (for Service contracts only)

14.16	<u>Bonds and Parent Company Guarantees</u>
14.17	<u>Procuring with External Grant Monies</u>
15	<u>Contract Management</u>
15.1	<u>Contract Management</u>
15.2	<u>Variations</u>
15.3	<u>Extensions</u>
Appendix 1	<u>Definitions</u>
Appendix 2	<u>Variable Information</u>
Appendix 3	<u>Approval Forms</u>
1	<u>Approval for use of a Framework Agreement</u>
2	<u>Approval to Award a Contract</u>
3	<u>Approval for a Contract Extension</u>
4	<u>Exception Approval</u>
Appendix 4	<u>Roles of Procurement Lead and Welland Procurement</u>
Appendix 5	<u>Quick Reference Guide</u>

DRAFT

## 1. Introduction

- 1.1. The purpose of these Contract Procedure Rules is to set out the principles, roles and processes involved in procurement at the Council. All procurements must comply with these rules, the Officer Scheme of Delegation, the Council's Financial Regulations, English law and European law in force in England.
- 1.2. All procurements must realise value for money through the optimum combination of whole life costs and quality of outcome.
- 1.3. These Rules seek to protect the Council's reputation by minimising the risk of allegations of corruption, dishonesty and failure to meet legal obligations, as such they must be followed in all commercial activity undertaken on behalf of the Council and within a partnership relationship, regardless of the source of funding.
- 1.4. If there is any change to the law which affects these Rules, then that change must be observed until these Rules can be revised. If these Rules conflict in any way with the law, then the law takes precedence.
- 1.5. These Rules are supported by detailed, practical guidance available in the Procurement Toolkit, which can be accessed via the [procurement portal](#). The Procurement Toolkit covers:
  - The Procurement Cycle
  - Assessing Needs
  - When does TUPE apply?
  - Assessing Risks
  - Valuing Your Requirement
  - Understanding Social Value
  - Sustainable Procurement
  - Procurement timetable
  - Specification
  - Evaluation Methodology and Criteria
  - Terms and Conditions
  - Due Diligence
  - The Procurement Process
  - Procuring via a Framework Agreement
  - Contract Management and Review
  - Variation
  - Extensions
- 1.6. Any values stated within these Rules are exclusive of VAT.
- 1.7. All procurement activities must be carried out in a fair, open, transparent, proportionate, and non-discriminatory manner.
- 1.8. These Rules apply to:

- 1.8.1. Contracts or agreements with external organisations where the Council pays for:
    - 1.8.1.1. Goods and/or Services;
    - 1.8.1.2. Works of any kind; and
    - 1.8.1.3. Hire, rental or lease of equipment, material and/or plant.
  - 1.8.2. Grant money received unless the grant conditions state otherwise.
- 1.9. These Rules do not apply in the following circumstances:
- 1.9.1. The purchase or lease of property, land acquisition, interest in land, transaction in land or disposal. This does not extend to any service, supplies or works contracts that may be required to make the land, existing buildings or immoveable property ready for acquisition, disposal or leasing.
  - 1.9.2. Direct employment of permanent or fixed term employees, for the avoidance of doubt these Rules do apply to consultancy and employment agency contracts.
  - 1.9.3. Instructing barristers or solicitors (as long as those costs do not exceed the relevant Public Procurement Threshold).
  - 1.9.4. The lending or borrowing of money by the Council.
  - 1.9.5. Contracts between Local Authorities as defined by Clause 12 of the Public Contracts Regulations 2015.
  - 1.9.6. Contracts between Local Authorities as defined by Clause 17 of the Concession Contracts Regulations 2015.
  - 1.9.7. Contracts between Local Authorities as defined by Clause 1 of the Local Authorities (Goods and Services) Act 1970.
  - 1.9.8. Section 75 NHS Act 2006 arrangements (although details must be recorded on the Council's Contract Register).

**1.10. Estimating the Total Contract Value**

- 1.10.1. Total Value is the maximum potential contract value. This is an estimation of the annual value, multiplied by the maximum contract length (including any extensions). This calculation is to be used for contracts that fall under the Public Procurement Regulations 2015. All references to "value" within these Rules refer to Total Value.
- 1.10.2. Where a proposed work or provision of services may result in contracts being awarded in the form of separate lots, account shall be taken of the total estimated value of all such lots. Where the aggregate value of the lots is equal to or greater

than the relevant Public Procurement Threshold, please speak to the Procurement Lead for further guidance on aggregation.

1.10.2.1. For works contracts, the calculation of the estimated value shall take account of both the cost of the works and the total estimated value of the supplies and services that are made available to the contractor by the Council if they are necessary for executing the works.

1.10.2.2. For services contracts which do not indicate a total price, the basis for calculating the estimated contract value shall be the following:

- in the case of fixed-term contracts where that term is less than or equal to 48 months, the total value for their full term;
- in the case of contracts without a fixed term or with a term greater than 48 months, the monthly value multiplied by 48.

1.10.2.3. For the appointment of consultants, the Estimated Total Contract Value shall be calculated using the requisite rate for the consultant, multiplied by the total duration of the assignment required to complete all the activities and deliverables of the consultant for their entire appointment.

1.10.3. For Concessions contracts (where the supplier makes money from the right given by the Council to provide), contract values are based on what it is worth to the supplier or the cost the Council would incur to provide the contract. The Total Value for these contracts shall be the total turnover of the concessionaire generated over the duration of the contract, as estimated by the Council, taking into account:

- (a) the value of any form of option and any extension of the duration of the concession contract;
- (b) revenue from the payment of fees and fines by the users of the works or services other than those collected on behalf of the Council;
- (c) payments or any other financial advantages, in any form, from the Council to the concessionaire, including compensation for compliance with a public service obligation and public investment subsidies;
- (d) the value of grants or any other financial advantages, in any form, from third parties for the performance of the concession contract;
- (e) revenue from sales of any assets which are part of the concession contract;
- (f) the value of all the supplies and services that are made available to the concessionaire by the Council, provided that they are necessary for executing the works or providing the services;
- (g) any prizes or payment.

1.10.4. Officers will ensure that values are not split in an attempt to avoid the applicability of these Rules or the Public Contract Regulations.

1.10.5. Re-occurring Contracts shall not be put in place with the effect of preventing it from falling within the scope of these Rules, thresholds, or any relevant Public Procurement Regulations. Spend must be aggregated where it is appropriate to do so, whether that is within Council services, or across multiple services for the same scope of work; to ensure value for money is achieved and reduce the duplication of work. Examples of where aggregate spend would be appropriate includes (but is not limited to):

- (a) One service spot purchasing similar pieces of work on a regular basis throughout the financial year;
- (b) Multiple Council services purchasing the same services under different contracts; and
- (c) Individual contracts being kept under a certain threshold to avoid procurement obligations within these Rules.

Where a proposed work or provision of services may result in contracts being awarded in the form of separate lots, account shall be taken of the total estimated value of all such lots. Where the aggregate value of the lots is equal to or greater than the relevant Public Procurement Threshold, the Procurement Lead must be consulted.

1.10.6. Where the Council may be contributing only part of the total value of a contract, it is nevertheless the Estimated Total Contract Value that should be applied in determining the correct procedures to be applied under these Rules. Examples of where this would be appropriate includes (but is not limited to):

- (a) Collaborations between services within the Council;
- (b) Collaboration between the Council and at least one other Contracting Authority; and
- (c) Where the Council is only part funding a project, in partnership with another funding source.

1.10.7. In the event that the estimated Total Contract Value is below the Public Procurement Threshold, and following a procurement process the proposed winning bidder's Total Bid Value exceeds the relevant Public Procurement Threshold, the Officer must not award the contract without consulting with the Procurement Lead as to the risks associated with awarding the contract.

## **2. Roles and Responsibilities**

### Officers

2.1. The Officer responsible for the procurement must comply with these Contract Procedure Rules and the Financial Regulations. The Officer is also responsible for ensuring that any Agents acting on behalf of the Council do so in compliance with these Rules and must seek written confirmation of their agreement.

- 2.2. The Officer must have regard to the guidance contained in the Procurement Toolkit which can be accessed via the [procurement portal](#).
- 2.3. All procurements must realise value for money through the optimum combination of whole life costs and quality of outcome.
- 2.4. The Officer must check whether a suitable Corporate Contract or other Publicly Available Contract exists before seeking to let another Contract. Where such a contract does exist, its use should be considered.
- 2.5. The Officer must keep the records detailed in these Rules.
- 2.6. Where an above Public Procurement Threshold procedure is required, the Officer **must** contact the Procurement Lead before embarking on the procurement. The Procurement Lead is also available to provide advice on all procurement activity.
- 2.7. Officers must take all necessary legal, financial and other professional advice. All officers are required to obtain the necessary approvals BEFORE commencing a procurement process. These approvals vary according to value and whether the procurement is considered a Key Decision. Please speak to Democratic Services for any queries relating to approvals.
- 2.8. Where any employee of the Council or of a Supplier may be affected by any transfer arrangement (TUPE), the Officer must ensure that the Transfer of Undertaking (Protection of Employment) issues are considered and obtain relevant advice.
- 2.9. Officers must ensure that the contracts for which they are responsible are effectively managed and monitored to ensure they deliver the requirement as intended.
- 2.10. Where an Officer has a potential conflict of interest within a procurement, the Officer must declare this immediately to the relevant Strategic Director and Monitoring Officer. The Officer may be required to withdraw from the procurement process. Any Officer who fails to declare such a conflict of interest may be subject to disciplinary proceedings and sanctions and also risks being prosecuted under the Bribery Act 2010.
- 2.11. As part of the service planning process Officers are expected to highlight all required procurement support through the annual Procurement Service Plan in advance of the next financial year.
- 2.12. Officers are responsible for the contracting activity, and must ensure:
  - a) Continued compliance with the Council's requirements;
  - b) Value for money;
  - c) Compliance with these Rules as well as any legal and statutory requirements;
  - d) Compliance with any relevant Council policy and Key Decision Threshold; and
  - e) That contracts are signed/sealed before the commencement of any Works, Services or Good delivered.

- 2.13. The Officer is responsible for ensuring the Procurement Lead is aware of the timescales for upcoming procurement work, especially for contracts in excess of £50,000, in sufficient time.
- 2.14. The Officer must have regard to the guidance contained in the Procurement Toolkit which can be accessed via the procurement portal.
- 2.15. Before beginning a commercial activity, the Officer responsible for it must carry out an appraisal and consider:
- (a) The requirements from any relevant Best Value or other review;
  - (b) The need for the expenditure and its priority e.g., has a business case been developed which sets out the service objectives, the criteria for evaluation and the options for delivery;
  - (c) Defining the objectives of the purchase;
  - (d) The risks associated with the purchase over its life and how to manage them;
  - (e) What procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, and collaboration with other purchasers;
  - (f) If corporate contracts and/or suitable frameworks exist and assess their suitability;
  - (g) Consulting users as appropriate about the proposed procurement method, contract standards, and performance and user satisfaction monitoring; and
  - (h) Selecting the most appropriate procurement method.

The Officer's approach to the appraisal tasks should be proportionate to the complexity, risks, and value of the procurement.

- 2.16. Officers will need to ensure they have the relevant budget approved (as per the Constitution) and available prior to embarking upon a procurement process. Budget approval ensures you have provision to fund any commitment within your own budget, and where sufficient budget isn't available the additional required funding has been sought and approved in accordance with the Council's Constitution.
- 2.17. Officers will need written approval to procure (email is sufficient). This approval needs to be sought regardless of the procurement route i.e., Tender, Quotation, Framework Award or Exception.
- 2.18. Officers will need written approval to award, in line with the Constitution. This approval needs to be sought regardless of the procurement route i.e., Tender, Quotation, Framework Award or Exception. Please see Appendix 3 for the relevant Forms.
- 2.18.1. For contracts with a total value up to and including £50,000 the approval will be given by the relevant Head of Service (or equivalent post). This must be done in writing (email is sufficient).
- 2.18.2. For contracts with a total value over £50,000 but up to £100,000 then approval will be given by the Assistant Director (or Director and must be recorded via an Officer Delegated Decision (ODD)).

2.18.3. For contracts with a total value over £100,000 but up to £200,000 then approval will be given by the Director (or any member of the Corporate Management Team) and must be recorded via an Officer Delegated Decision (ODD).

2.18.4. For contracts with a total value of £200,000 and above this approval constitutes a Key Decision, which must be on the forward plan. Democratic Services must be engaged prior to any procurement process with a total value of £200,000 or more commencing. Note that any applicable “call in” period must be observed before the Decision is implemented.

2.18.5. A summary of information is available at Appendix 5 Quick Reference Guide.

2.19. The provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply to a relevant business transfer where the transferor (incumbent supplier) has a dedicated team of employee(s) that carry out the service activity that is to be transferred. In practice this will often apply where a Council service is:

- ‘out-sourced’
- brought back ‘in-house’ / in-sourced
- where a contract that former Council employees are undertaking comes up for renewal and is awarded again to the same supplier or to a new supplier
- transferred from one external organisation to another
- TUPE is also likely to apply where a supplier who has been awarded a contract subsequently awards or sub-contracts all or part of it to another supplier, whilst retaining the contract with the main client

TUPE can apply irrespective of whether there has been a formal procurement exercise or not. Officers must ask the current Supplier whether or not any employee of the Council or of the Supplier may be affected by any transfer arrangement (TUPE). Where this is relevant, the Officer must ensure that the Transfer of Undertaking (Protection of Employment) issues are considered and obtain relevant advice before undertaking the procurement process. This will include liaising with Lincolnshire County Council where any employee of the Council or of the Supplier is a member of the Local Government Pension Scheme (LGPS). Guidance on whether TUPE applies must be referred to Human Resources or Legal services in the first instance, before proceeding, so that the scope of any legal obligations may be identified. If TUPE does apply this must be factored into the procurement strategy / plan and timescales.

Suppliers must seek their own legal guidance on the application of TUPE; the Council must not offer any such advice. The Council’s only involvement with TUPE is to facilitate through the provision of TUPE information; it must not get involved in other TUPE related matters.

‘TUPE Information’ templates are available on the procurement portal. This information will need to be completed by the current supplier which Officers will issue to the market as part of the procurement documentation on which potential suppliers are invited to bid. This information must be gathered prior to going out to market, and Officers would need to review the information to ensure it has been anonymised (TUPE information is confidential –

please discuss with the Procurement Lead whether TUPE information should be published with the tender pack, or to individual bidders, subject to the return of TUPE Confidentiality Agreement), and whether or not there are any LGPS (Local Government Pension Scheme) members. Officers can refer to the Procurement Toolkit available on the Procurement Lead portal for guidance on considerations for LGPS members.

- 2.20. Officers must ensure that the contracts for which they are responsible are effectively managed and monitored to ensure they deliver the requirement as intended.
- 2.21. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.
- 2.22. Officers must ensure details of bidders and their submissions are kept confidential (subject to Freedom of Information considerations).
- 2.23. Officers shall complete the Council's electronic Contract Register (to record all approved exceptions and contracts with an estimated total value of £5,000 and above including any changes over the contract life e.g., extensions).
- 2.24. Officers shall notify the Procurement Lead of any contracts awarded with an estimated total value of £20,000 and above (including any changes over the contract life e.g., extensions), so that a Contracts Finder Award Notice can be published.
- 2.25. Where an Officer has a potential conflict of interest within a procurement process, the Officer must declare this immediately to the relevant Chief Officer and Monitoring Officer. The Officer may be required to withdraw from the procurement process. Any Officer who fails to declare such a conflict of interest may be subject to disciplinary proceedings and sanctions.

A 'Conflict of Interest Declaration – Confidentiality Agreement' form can be obtained from the procurement portal.

#### Heads of Service (or equivalent postholders)

- 2.26. Heads of Service must ensure that staff are aware of their responsibilities under these Rules, receive adequate training and guidance and that they and their Officers comply with these Rules at all times, and that sufficient budget is available and approved before procurement process begin.
- 2.27. Heads of Service must ensure that Value for Money is achieved in all procurements and ensure officers have obtained the necessary approvals BEFORE commencing a procurement process.

- 2.28. Heads of Service must ensure that they have in place a scheme of delegation that records in writing what action Officers are authorised to take under these Rules and what action needs to be referred to Cabinet or Council.
- 2.29. The relevant Head of Service is responsible for ensuring there is a process in place so that the Council's Contracts Register is updated as required following procurement activity.
- 2.30. Where a Head of Service has a potential conflict of interest within a procurement process, the officer must declare this immediately to the relevant Strategic Director and Monitoring Officer. The Head of Service may be required to withdraw from the procurement process. Any Head of Service who fails to declare such a conflict of interest may be subject to disciplinary proceedings and sanctions and also risks being prosecuted under the Bribery Act 2010.
- 2.31. A 'Conflict of Interest Declaration – Confidentiality Agreement' form can be obtained from the procurement portal.

### **3. Non-Compliance with these Rules**

- 3.1. Where an Officer becomes aware of any non-compliance with these Rules (which cannot be remedied), they must declare this to the relevant Director and Monitoring Officer.

### **4. Exceptions**

- 4.1. The exceptions listed in this Section do not apply to procurements with a total value above the relevant Public Procurement Threshold. Exceptions are not a substitute for instances where procurement planning has not been exercised and Officers find themselves with insufficient time to undertake a competitive process. Officers must still consider commercial awareness and achieve value for money.
- 4.2. Officers must obtain a fully approved exception in advance of awarding a contract and must ensure that the actual spend does not exceed the total value stated in the approved exception.
- 4.3. Officers will need to ensure they have the relevant budget approved and available prior to submitting an exception request. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Procedure Rules).
- 4.4. Signed contracts that have a total value of £10,000 or more must be scanned in and saved to central procurement area. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.
- 4.5. Exceptions must be approved by the relevant member of the Corporate Management Team (CMT), upon completion of the Exception Form at Appendix 3 subject to one of more of the following criteria being fulfilled.

- 4.5.1. No genuine competition: proprietary or patented goods or services; requirement of such a specialist nature that it can genuinely only be fulfilled by one person or organisation; compatibility with existing goods or services is required and where those existing goods or services can only be sourced from the same supplier.
- 4.5.2. There is a sound business case and/or an independent review that there is no value for money in running a full procurement process. Supporting evidence will need to demonstrate market testing and enquiries to other suppliers. This must not be used to avoid competition or where decisions to procure have been postponed and there are insufficient timelines to procure.
- 4.5.3. Genuine emergencies: critical preventative or remedial work where there is a real and imminent risk to the safety of people or property arising from hitherto unforeseen 'catastrophic' events or incidents, for example fire, bombing, landslide etc.
- 4.5.4. Urgent Situations not of the Council's own making: the urgency must have been reasonably unforeseeable (e.g., existing supplier going into liquidation) and genuinely be a case of time is of the essence. Urgency arising from the Council's own making (e.g., lack of planning) shall not justify an exception. Where this exception is used, a compliant procurement must be implemented as soon as possible.
- 4.5.5. Collaborative/Joint Procurement: where another authority/public body is acting as the 'lead buyer' and provided that the Officer can demonstrate those arrangements comply with relevant Regulations and best practice.
- 4.5.6. Grants which the Council may receive or make: except where the grant is the form of payment for a contract for services where the Council specifies the output or outcomes to be delivered. The awarding of grants by the Council or on behalf of the Council must be carried out under the principles of openness, fairness, non-discrimination and value for money. Officers cannot choose to treat procurement as a grant in order to avoid conducting a competitive process. **This exception cannot be used if the grant funding guidance states a procurement process must be conducted (such as ERDF funding); Officers must be fully aware of all requirements of the relevant funding body and ensure full compliance.** Please discuss with the Procurement Lead before any exception on this basis is requested.
- 4.5.7. Contracts for the execution of either mandatory works or provision of goods or services which must be provided by Statutory Provider other than the Council. This includes but is not limited to public utility companies and other legal authorities
- 4.6. Where the total value of the contract is £5,000 or more, the resultant contract must be added to the Contract Register (on ProContract) to ensure compliance with Transparency Regulations.

4.7. An award notice is required on Contracts Finder for all Contracts with a total value of £20,000 or above. The Procurement Lead is responsible for such award notices. Officers must formally advise the Procurement Lead of the award details, so that they can publish the award notice.

## **5. Procurements valued under £10,000**

5.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).

5.2. Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.

5.3. Where the contract is valued below £10,000, Officers are required to seek at least one written quotation (email is acceptable). Value for money remains a primary objective and so Officers may decide to seek more than one quotation to ensure that objective is achieved.

5.4. Quotations can be submitted via email but should be PDF documents to prevent tampering or accusations thereof; the onus will be on the bidder to make this decision. Quotations are not to be "opened" prior to the deadline for return if one is given (not applicable if only one quote is being sought).

5.5. The quotation must be received before any order is processed and must include the following information:

- a) A description of the goods, services or works to be supplied;
- b) When and where they will be supplied;
- c) The value of the requirement;
- d) Payment terms.

5.6. The contract award must be authorised by the budget holder using the relevant Approval Form in Appendix 3.

5.7. The contract or terms and conditions must be signed by the Head of Service.

5.8. Where the value of the contract is more than £5,000, the resultant contract must be added to the Contract Register (on ProContract) to ensure compliance with Transparency Regulations.

5.9. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## 6. Procurements valued between £10,000 and £49,999

- 6.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 6.2. Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.
- 6.3. Where the contract is valued between £10,000 and £49,999, at least three written quotations must be sought. Those quotations must be invited from identified suppliers as no procurement advertising can take place.
- 6.4. For contracts with a total value of £20,000 or more, if the Council chooses to advertise a quotation, for example because:
  - 6.4.1. The Officer cannot immediately identify three potential suppliers to invite to quote; and/or
  - 6.4.2. The procurement opportunity is either politically sensitive or high profilethen it must be simultaneously advertised via the Procurement Lead on Contracts Finder.
- 6.5. Where the Procurement Lead is instructed to support the procurement, the Officer must complete a Procurement Initiation Document (PID), available on the procurement portal, prior to the commencement of the procurement process (at pre-procurement stage).
- 6.6. It is recommended that the Request for Quotation template document (<http://wellandprocurement.org.uk/>) is used. In any case the criteria for selecting the most advantageous quotation must be established before the quotations are invited and be made clear in the procurement documentation.
- 6.7. The quotations must contain (as a minimum):
  - a) A specification (covering the goods, services or works to be supplied; the "where" and "when" they are to be supplied; and any relevant performance and contract management details);
  - b) Instructions to bidders:
    - a. Evaluation criteria
    - b. How to respond
    - c. How clarification messages are to be asked (who sent to, any deadlines for messages)
    - d. Information bidders need to include within response
    - e. Deadline for responses (day and time); and

- c) The short form terms and conditions to be applied (available Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services).
- 6.8. In some instances Officers may need to consider TUPE implications
- 6.9. At least one of the suppliers invited to submit a quotation should be local, where local means operating from a business address within the boundary of South Kesteven. Where a local supplier cannot be identified, the Officer must keep a written record of the reason.
- 6.10. Where fewer than three potential suppliers can be identified, the Officer must keep a written record of the reason and all potential suppliers should be invited to quote. It is accepted that the Officer may receive fewer than three quotations even where three or more suppliers have been invited to quote.
- 6.11. Quotations can be submitted via email but should be PDF documents to prevent tampering or accusations thereof; the onus will be on the bidder to make this decision. Quotations are not to be "opened" prior to the deadline for return if one is given (not applicable if only one quote is being sought).
- 6.12. The Officer must keep copies of the Council's procurement documentation as well as copies of all quotations received and any communication between the Council and the bidders.
- 6.13. As part of the procurement process (quotation), potential bidders can seek clarification on either the information published or the process itself.
- 6.14. The nature of any clarification or response from the Council must not materially change the scope/substance of the requirement. If it does, Officers may need to abandon the process and restart, using revised documentation. Please discuss this with the Procurement Lead.
- 6.14.1. All requests for clarification and questions relating to the quote (and its associated documents) must be submitted as per the instruction document (via email or ProContract).
- 6.14.2. The Council must respond to all clarifications as soon as possible (via email or ProContract).
- 6.14.3. A copy of all requests for clarifications and the responses must be anonymised and published to all potential bidders (who have either been invited to quote or have expressed an interest in the quote) where the clarification and response are not considered confidential.
- 6.14.4. If a potential bidder wishes the Council to treat a clarification as confidential and therefore not publish the response to all, it must state this when submitting the

clarification. If in the opinion of the Council, the clarification is not confidential, the Council will publish it in an anonymised format.

6.14.5. Officers must state a deadline for receipt of clarifications.

6.14.6. Officers must keep a record of communications between potential bidders and the Council.

6.14.7. Unless it is part of a clarification and the above is observed, Officers must not:

6.14.7.1. Make contact with suppliers/potential bidders; or

6.14.7.2. Send information to suppliers/potential bidders.

If a supplier/potential bidder makes contact with an Officer, they should advise them that messages must be submitted as per the instruction document; via email or ProContract.

6.15. Evaluation of the quotations received must be carried out using the evaluation criteria identified in the procurement documentation. Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process.

Clarification questions may be asked where responses would not result in a material change of the bid received.

6.16. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; it is advisable to ask all evaluators to complete, sign and return this document to the Council lead. The procurement Lead can act as the independent moderator but cannot undertake any scoring. Clarification questions may be asked where responses would not result in a material change of the bid received.

6.17. Contract award must be approved as per 2.18 of these Rules.

6.18. All bidders must be notified of the Award decision simultaneously in writing (via the Council's electronic tendering system or email, depending on the method of obtaining quotations) by the Officer (or the Procurement Lead), whether or not their bid was successful.

6.19. The contract or terms and conditions must be signed by an officer authorised in accordance with the delegation scheme. In certain circumstances the contract may require sealing, please see Section 14.14 below.

6.20. If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.

- 6.21. The resultant contract must be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations.
- 6.22. All signed contracts must be scanned in and saved to the relevant Directorate and the Contracts Register. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.
- 6.23. If the contract is valued over £20,000, an award notice on Contracts Finder is required. The Procurement Lead is responsible for such award notices. If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notice.
- 6.24. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## **7. Procurements valued between £50,000 and the current Goods and Services Public Procurement Threshold**

- 7.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 7.2. Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.
- 7.3. The Procurement Lead should be notified in respect of all contracts with a total value between £50,000 and the current goods and services Public Procurement Threshold because a single stage/open tender process must be completed. This means that all interested suppliers are eligible to submit a Tender.
- 7.4. Where the Procurement Lead is instructed to support the procurement, the Officer must complete a Procurement Initiation Document (PID), available on the procurement portal, prior to the commencement of the procurement process (at pre-procurement stage).
- 7.5. The procurement must be advertised on Contracts Finder, the Procurement Lead is responsible for managing this advertising.
- 7.6. Council Officers must conduct the Tender process using the Council's tender portal (unless agreed otherwise by the Chief Finance Officer). The Open Tender template documents must be used to ensure that the required Standard Suitability Questions are used (available from the Procurement Lead). The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the

Specification, Long Form Terms and Conditions of Contract (available Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services), TUPE information (where applicable) and evaluation criteria.

The specification must cover the scope of the requirement i.e., the goods, services or works to be supplied, the "where" and "when" they are to be supplied as well as any relevant performance and contract management details. A template is available on the procurement portal.

- 7.7. As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself.
- 7.8. The nature of any clarification or response from the Council must not materially change the scope/substance of the requirement. If it does, Officers may need to abandon the process and restart, using revised documentation. Please discuss this with the Procurement Lead.
  - 7.8.1. All requests for clarification and questions relating to the quote (and its associated documents) must be submitted as per the instruction document (via ProContract).
  - 7.8.2. The Council must respond to all clarifications as soon as possible (via ProContract).
  - 7.8.3. A copy of all requests for clarifications and the responses must be anonymised and published to all potential bidders (who have expressed an interest in the tender) where the clarification and response are not considered confidential.
  - 7.8.4. If a potential bidder wishes the Council to treat a clarification as confidential and therefore not publish the response to all, it must state this when submitting the clarification. If in the opinion of the Council, the clarification is not confidential, the Council will publish it in an anonymised format.
  - 7.8.5. Officers must state a deadline for receipt of clarifications.
  - 7.8.6. Officers must keep a record of communications between potential bidders and the Council.
  - 7.8.7. Unless it is part of a clarification and the above is observed, Officers must not:
    - 7.8.7.1. Make contact with suppliers/potential bidders; or
    - 7.8.7.2. Send information to suppliers/potential bidders.

If a supplier/potential bidder makes contact with an Officer, they should advise them that messages must be submitted as per the instruction document; via ProContract.
- 7.9. Tenders will be received via the electronic tendering system. An Officer or a representative of Procurement Lead will be responsible for opening tenders.

- 7.10. Tenders must be evaluated in accordance with the advertised evaluation criteria, clarification questions may be asked as long as the response would not have the effect of materially changing the tender received. Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; this form must be completed, signed and returned to the Procurement Lead. The Procurement Lead can act as the independent moderator but cannot undertake any scoring.
- 7.11. The bidder with the highest evaluation score will be awarded the contract. If this is not the case, the advice of the Procurement Lead must be sought prior to award.
- 7.12. Contract award must be approved in accordance with the approval levels set out at 2.18 of these Contract Procedure Rules.
- 7.13. All bidders must be notified of the Award decision simultaneously in writing (via the e tendering system) by the Officer (or Procurement Lead), whether or not their bid was successful.
- 7.14. The contract must be sealed, please see Section 14.14 below.
- 7.15. The resultant contract must be added to the Council's Contract Register to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.
- 7.16. All signed contracts must be scanned in and saved to the relevant Directorate and the Contracts Register. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.
- 7.17. The Officer must keep the following records:
- a) A record of all decisions from pre to post procurement.
  - b) The method of obtaining tenders.
  - c) Tender documents produced by the Council.
  - d) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract.
  - e) A written record of the evaluation.
  - f) A record of the Award approval.
  - g) A signed copy of the Contract which should be retained for the life of the contract and in normal circumstances for 6 years thereafter.
  - h) Communications to and from bidders during the procurement process.

Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process.

These documents should be stored in the Council's central Procurement filing system.

- 7.18. An award notice is required on Contracts Finder; the Procurement Lead is responsible for such award notices. If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notice.
- 7.19. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## **8. Procurements for Works Contracts valued between the current Goods and Services Public Procurement Threshold and the current Works Public Procurement Threshold**

- 8.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 8.2. The Procurement Lead should be instructed for all Works contracts with a total value between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold. The authorised Officer can choose either a single stage/open tender or two stage/restricted process.
- 8.3. Where conducting a two stage/restricted process, Officers should use the PAS91 PQQ for works contracts (including the procurement of goods and services needed in relation to the works).
- 8.4. Where the Procurement Lead is instructed to support the procurement, the Officer must complete a Procurement Initiation Document (PID), available on the procurement portal, prior to the commencement of the procurement process (at pre-procurement stage).
- 8.5. The procurement must be advertised on Contracts Finder and the Procurement Lead is responsible for managing this advertising.
- 8.6. Council Officers must conduct the Tender process using Procurement Lead tender portal (unless agreed otherwise by the Chief Finance Officer). The Council's standard Tender documents must be used to ensure that the required Standard Suitability Questions are used. The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the Specification, Long Form Terms and Conditions of Contract (available Standard T's & C's, unless using another appropriate

set of terms and conditions, as agreed by Legal Services), TUPE information (where applicable) and evaluation criteria.

The specification must cover the scope of the requirement i.e., the goods, services or works to be supplied, the “where” and “when” they are to be supplied as well as any relevant performance and contract management details. A template is available on the procurement portal.

- 8.7. As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.
- 8.8. Tenders will be received via the electronic tendering system. The Procurement Lead will be responsible for opening tenders.
- 8.9. Tenders must be evaluated in accordance with the advertised weighted evaluation criteria, clarification questions may be asked as long as the response would not have the effect of materially changing the tender received.
- 8.10. Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score.
- 8.11. The evaluators should be fully briefed on the evaluation process. The ‘Conflict of Interest Declaration – Confidentiality Agreement’ on the procurement portal gives further guidance on evaluation principles and best practice; this form must be completed, signed and returned to the Procurement Lead. The Procurement Lead can act as the independent moderator but cannot undertake any scoring.
- 8.12. The bidder with the highest evaluation score will be awarded the contract. If this is not the case, the advice of the Procurement Lead must be sought prior to award.
- 8.13. Contract award must be approved as per 2.18 of this document.
- 8.14. All bidders must be notified of the Award decision simultaneously in writing (via the e tendering system) by the Officer or Procurement Lead, whether or not their bid was successful.
- 8.15. The contract must be sealed, please see Section 14.14 below.
- 8.16. The details of the resultant contract must be added to the Council’s Contract Register to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.

- 8.17. All signed contracts must be scanned in and saved to the relevant Directorate and the Contracts Register.
- 8.18. The Officer must keep the following records:
- a) A record of all decisions from pre to post procurement;
  - a) The method of obtaining tenders.
  - b) Tender documents produced by the Council
  - c) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract.
  - d) A written record of the evaluation
  - e) A record of the Award approval
  - f) A signed copy of the Contract which should be retained for the life of the contract and in normal circumstances for 6 years thereafter.
  - g) Communications to and from bidders during the procurement process

Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process.

These documents should be stored in the Council's central Procurement filing system.

- 8.19. An award notice is required to be published on Contracts Finder and the Procurement Lead is responsible for such award notices.
- 8.20. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## **9. Procurements valued over the relevant Public Procurement Threshold**

- 9.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 9.2. Where the anticipated value of the contract exceeds the relevant Public Procurement threshold, the formal advice off the Procurement Lead must be sought as early as possible and in any case before any procurement activity takes place.
- 9.3. All goods, services and works with a procurement total value in excess of the relevant Public Procurement threshold are enforced by the Public Contracts Regulations 2015, and over threshold public works concessions and public services concessions are enforced by the Concessions Contracts Regulations 2016. These Regulations set out strict processes that have to be followed, as well as remedies available to suppliers. The principles that Officers need to comply with are:

- a) equal treatment;
- b) non-discrimination;
- c) mutual recognition;
- d) proportionality; and
- e) transparency.

Officers must comply with these Regulations and principles at all times.

- 9.4. Where the Officer is following one of the below procurement processes, the number of bidders invited to tender or to conduct a dialogue can be limited (out of those meeting the selection criteria). This must be indicated in the contract notice and the tender documentation (shortlisting criteria, the minimum number of candidates the Officer intends to invite and, where applicable the maximum number).
- a) In the restricted procedure, the minimum number of candidates shall be 5.
  - b) In the competitive procedure with negotiation, the competitive dialogue procedure and the innovation partnership procedure, the minimum number of candidates shall be 3.

Where the number of candidates meeting the selection criteria and the minimum levels of ability is below this minimum number, the Officer may continue the procedure by inviting the candidates with the required capabilities, but must record the reason for doing so.

- 9.5. The Officer must:
- a) adhere to the minimum timescales stipulated in the Regulations;
  - b) ensure the specification clearly describes the intended outcomes or outputs, and that it is complete and fair;
  - c) assess the quality of tenders as per the Regulations;
  - d) ensure the evaluation criteria (and any sub criteria) is disclosed in the Tender documentation and advertisements;
  - e) ensure the Contract terms and conditions allow for modification, should the total value increase or decrease due to amended volumes/values;
  - f) treat selection and award criteria separately.
- 9.6. The Officer must complete a Procurement Initiation Document (PID), provided by the Procurement Lead prior to the commencement of the procurement process (at pre-procurement stage).
- 9.7. The procurement must be advertised on Contracts Finder and on Find a Tender, the Procurement Lead is responsible for managing this advertising.
- 9.8. The procurement will be managed using an electronic tendering system; the Officer must therefore contact the Procurement Lead to access that system.

- 9.9. As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.
- 9.10. Council Officers must conduct the Tender process using the Council's tender portal (unless agreed otherwise by the Chief Finance Officer). The Council's standard Tender documents must be used to ensure that the required Standard Suitability Questions are used. The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the Specification, Long Form Terms and Conditions of Contract (available Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services), TUPE information (where applicable) and evaluation criteria.

The specification must cover the scope of the requirement i.e., the goods, services or works to be supplied, the "where" and "when" they are to be supplied as well as any relevant performance and contract management details. A template is available on the procurement portal.

- 9.11. Tenders will be received via the electronic tendering system. The Procurement Lead will be responsible for opening tenders.
- 9.12. Tenders must be evaluated in accordance with the advertised evaluation criteria, clarification questions may be asked as long as the response would not have the effect of materially changing the tender received.
- 9.13. Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score.
- 9.14. The evaluators should be fully briefed on the evaluation process. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; this form must be completed, signed and returned to the procurement lead. The Procurement Lead can act as the independent moderator but cannot undertake any scoring.
- 9.15. The bidder with the highest evaluation score will be awarded the contract, as per the award criteria detailed.
- 9.16. Contract award must be approved as per 2.18 of this document.
- 9.17. All bidders must be notified of the Award decision simultaneously in writing (via the Council's electronic tendering system) by the Officer (or the Procurement Lead), whether or not their bid was successful. The letters must include:
- a) the award criteria;
  - b) the name of the successful bidder(s);

- c) the score of the recipient;
- d) the score of the successful bidder(s);
- e) details of the reason for the decision, including the characteristics and relative advantages of the successful tender; and
- f) confirmation of the date before which the contracting authority will not enter into the contract or framework agreement (i.e., the date after the end of the standstill period).

Officers shall allow a period of not less than 10 calendar days after announcing their Intention to Award to provide unsuccessful Bidders an opportunity to challenge.

If the decision is challenged by an unsuccessful Bidder, then the Officer shall not award the contract and shall immediately seek the advice of the Procurement Lead.

- 9.18. The contract will require sealing, please see Section 14.14 below.
- 9.19. The details of the resultant contract must be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.
- 9.20. The Officer must keep the following records:
  - a) A record of all decisions from pre to post procurement;
  - b) The method of obtaining tenders;
  - c) Tender documents produced by the Council;
  - d) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract;
  - e) A written record of the evaluation;
  - f) A record of the Award approval;
  - g) A signed copy of the Contract which should be retained for the life of the contract and in normal circumstances for 6 years thereafter; and
  - h) Communications to and from bidders during the procurement process.

Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process.

These documents should be stored in the Council's central Procurement filing system.

- 9.21. An award notice is required on Contracts Finder and Find a Tender; the Procurement Lead is responsible for such award notices. If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notices.

- 9.22. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract

## **10. Procuring via a Framework Agreement or Dynamic Purchasing System (DPS)**

- 10.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 10.2. A contract of any value can be procured via a framework agreement or DPS. Compliance with these Rules and relevant national law is achieved through compliance with the framework agreement/DPS terms and conditions. This will involve:
- reviewing relevant Framework/DPS guidance document(s);
  - reviewing the correct process for call off (which may be through further competition or direct award); and
  - following the stated call off process, as laid out in the Framework/DPS documentation.

Officers must ensure they are fully conversant with the eligibility of the Council to use the framework, as stated within the Framework Agreement. If these Rules are not sufficiently detailed for the Officer to be assured of the eligibility and requisite process, they must engage with the Procurement Lead to seek advice on the validity of the Framework Agreement.

- 10.3. As part of the procurement process (call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.
- 10.4. For the avoidance of doubt, a framework agreement or DPS is considered a compliant procurement route where:
- a) It has been entered into by the Council in compliance with these Rules; or
  - b) Another contracting authority, purchasing consortium or Central Government has tendered the framework agreement or DPS in compliance with national procurement law and the Council is named as a potential user of the arrangement.

This section (10) applies to call offs in the circumstances detailed in both 10.4(a) and 10.4(b) above.

- 10.5. All goods, services and works with a procurement total value in excess of the relevant Public Procurement threshold are enforced by the Public Contracts Regulations 2015, and over threshold public works concessions and public services concessions are enforced by the Concessions Contracts Regulations 2016. These Regulations set out strict processes that have to be followed, as well as remedies available to suppliers. The principles that Officers need to comply with are:

- a) equal treatment;
- b) non-discrimination;
- c) mutual recognition;
- d) proportionality; and
- e) transparency.

Officers must comply with these Regulations and principles at all times.

- 10.6. The procurement will be managed in line with the appropriate Rule, dependent on the total value of the contract (unless otherwise detailed by the Framework/DPS Owner).
- a) Procurements valued under £10,000 see Rule 5
  - b) Procurements valued between £10,000 and £49,999 see Rule 6
  - c) Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7
  - d) Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8
  - e) Procurements valued over the Relevant Public Procurement Threshold see Rule 9
- 10.7. It is recommended that the Further Competition Template documents are used which can be obtained from the procurement portal or the Procurement Lead; if template documentation is provided by the Framework/DPS Owner, Officers can make use of this.

In any case the criteria for selecting the most advantageous submission must be established before call offs submissions are invited and be made clear in the procurement documentation. The call offs must contain (as a minimum):

- a) The goods, services or works to be supplied;
- b) The “where” and “when” they are to be supplied; and
- c) Instructions to bidders:
  - a. Evaluation criteria
  - b. How to respond
  - c. How clarification messages are to be asked (who sent to, any deadlines for messages)
  - d. Information bidders need to include within response
  - e. Deadline for responses (day and time); and
  - f. The terms and conditions to be applied to the call off (as per Framework/DPS guidance document, please use the terms stated; these must be agreed by Legal Services).

In some instances Officers may need to consider TUPE implications.

- 10.8. Submissions must be evaluated in line with the Framework/DPS guidance document and the appropriate Rule, dependent on the total value of the contract.
- a) Procurements valued between £10,000 and £49,999 see Rule 6.14
  - b) Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7.10 and 7.11

- c) Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8.9, 8.10, 8.11 and 8.12
- d) Procurements valued over the Relevant Public Procurement Threshold see Rule 9.12, 9.13, 9.14 and 9.15

10.9. Contract award must be approved as per 2.18 of this document.

10.10. All bidders must be notified of the Award decision simultaneously in writing (via the method used to run the procurement process i.e., email, ProContract or other system used by the Framework/DPS owner) by the Officer (or the Procurement Lead or the Framework/DPS owner), whether or not their bid was successful.

10.11. The contract must be signed/sealed in line with the appropriate Rule, dependent on the total value of the contract.

- a) Procurements valued under £10,000 see Rule 5.7
- b) Procurements valued between £10,000 and £49,999 see Rule 6.20
- c) Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7.15
- d) Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8.16
- e) Procurements valued over the Relevant Public Procurement Threshold see Rule 9.18

If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.

10.12. Where the Council is using an external framework, and the total value of the contract is £5,000 or above, the resultant contract must be added to the Contract Register to ensure compliance with Transparency Regulations.

Where the Council has set up a framework, only the framework is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the framework.

10.13. Where the contract has a total value of £20,000 or above an award notice is required on Contracts Finder. The Officer must formally advise the Procurement Lead of the award details, so that they can publish the award notice.

10.14. The Officer must keep the following records:

- a) A record of all decisions from pre to post procurement;
- b) The method of obtaining tenders;
- c) Tender documents produced by the Council;
- d) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract;
- e) A written record of the evaluation;

- f) A record of the Award approval;
- g) A signed copy of the Contract which should be retained for the life of the contract and in normal circumstances for 6 years thereafter; and
- h) Communications to and from bidders during the procurement process.

Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process.

These documents should be stored in the Council's central Procurement filing system.

- 10.15. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## **11. Setting up a Framework Agreement**

- 11.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 11.2. Framework agreements set out the general terms under which specific purchases ("call offs") can be made under the agreement. The purpose of using a framework is to enable contracting authorities to award individual contracts without going through a full procurement process each time. A framework agreement may be established with one supplier ("single supplier frameworks") or with more than one ("multiple supplier frameworks").
- 11.3. The minimum number of suppliers for a multiple supplier framework is two.
- 11.4. Framework agreements must not exceed four years. Call-off contracts based on framework agreements may be longer than four years and may extend beyond the expiry date of the framework.
- 11.5. Framework agreements should be set up to allow for mini competitions to run as the first option for selecting a supplier. Where this is not the case, the Procurement Lead should be consulted.
- 11.6. As part of the procurement process (either the creation of the Framework or any subsequent call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.
  - 11.6.1. As Framework agreements are "closed" for the term, consideration should be given to the impact of this, and ensure that the benefits and length of the Framework are justified.

- 11.7. Formal advice from the Procurement Lead must be sought as early as possible and in any case before any procurement activity takes place. The relevant Rules and Regulations should be followed according to the total potential value of the Framework (the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the framework agreement). It is the Officer's responsibility to monitor and track spend against the framework.
- 11.8. The Officer is responsible for ensuring the original signed/sealed contract is given to Legal Services for safekeeping.
- 11.9. If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.
- 11.10. Where the Council has set up a framework, details of the framework itself must be recorded on the Council's Contract Register (on ProContract). The estimated value of the framework must be recorded and all of the suppliers associated with the framework must be listed. Any other relevant detail to the mechanics of the framework must also be recorded so the suppliers can be searched and found in the Register and cross referenced with Council spend.

Where the Council has set up a framework, only the framework is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the framework.

- 11.11. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.

## **12. Setting up a Dynamic Purchasing System (DPS)**

- 12.1. Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers will also need written approval to procure (email is sufficient).
- 12.2. A Dynamic Purchasing System (DPS) is similar to an electronic framework agreement, with two exceptions, new suppliers can join at any time and it is to be run as a completely electronic process.
- 12.3. Dynamic Purchasing Systems are used exclusively by public sector organisations. They save time and money by being a quick and easy way to access goods, services and works through a compliant route.
- 12.4. There is no maximum term for a DPS; the period of validity of the DPS should be indicated in the call for competition.

- 12.5. All bidders that meet the selection criteria shall be admitted to the DPS, and the number of bidders accepted on to the DPS shall not be limited.
- 12.6. Formal advice from the Procurement Lead must be sought as early as possible and in any case before any procurement activity takes place. The relevant Rules and Regulations should be followed according to the total potential value of the DPS (the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the DPS). It is the Officer's responsibility to monitor and track spend against the DPS.
- 12.7. As part of the procurement process (either the creation of the DPS or any subsequent call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.
- 12.8. There is no obligation to notify DPS suppliers of a decision to award a contract under a DPS, to provide a de-brief or to run a standstill period.
- 12.9. There is a requirement to publish a contract award notice on Find a Tender Service for contracts awarded using a DPS. The contract award notice must be dispatched within 30 days of the contract award. Contract award notices can be grouped together and published on a quarterly basis within 30 days of the end of each quarter. The Officer must formally advise the Procurement Lead of the award details, so that they can publish the award notice.
- 12.10. Contracting authorities are also required to publish information on Contracts Finder in respect of contracts awarded under a DPS for contracts with a total value of £20,000 or above. Publication on Contracts Finder is required within a "reasonable time" (no longer than 90 days following contract award).
- 12.11. Signed/sealed DPS Agreements that have a total value of £5,000 or more be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.

If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.

- 12.12. The contract must be signed by a member of the Senior Team except where a contract requires Sealing as set out at 14.14.
- 12.13. Where the Council has set up a DPS, details of the DPS itself must be recorded on the Council's Contract Register (on ProContract). The estimated value of the DPS must be recorded and all of the suppliers associated with the DPS. Any other relevant detail to the mechanics of the DPS must also be recorded so the suppliers can be searched and found in the register and cross referenced with council spend.

Where the Council has set up a DPS, only the DPS is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the DPS.

- 12.14. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract

### **13. Public Services (Social Value) Act 2012**

- 13.1. The Public Services (Social Value) Act requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.
- 13.2. Before starting a procurement process, the Officer should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.
- 13.3. The Council must consider, in the form of a Social Value appraisal whilst recognising the principal of proportionality;
- a) how what is proposed to be procured might improve the economic, social, and environmental well-being of the relevant area, and
  - b) how, in conducting the process of procurement, it might act with a view to securing that improvement.
- 13.4. The Officer must consult the Procurement Lead for advice on specifying requirements under Social Value, and how to evaluate tenders against these requirements.

### **14. Other Matters to Consider**

- 14.1. These Rules are relevant to all Contracts with a total value above £10,000.
- 14.2. **Conflict of Interest**
- 14.2.1. Clause 2.10 and 2.25 and 2.30 define when a conflict of interest must be declared.
- 14.2.2. For contracts with a total value of £50,000 or more, all Officers, Members and other stakeholders involved in procuring for the Council must sign a Declaration of Interest form at the start of the procurement process. This form is available on the procurement portal.
- 14.2.3. For contract with a total value of between £10,000 and £50,000, it is advisable that all Officers, Members and other stakeholders involved in procuring for the Council sign a Declaration of Interest form at the start of the procurement process. This form is available on the procurement portal.
- 14.2.4. This form must be kept on file during the procurement and for the term of the contract.

### 14.3. **Abnormally Low Bids**

14.3.1. Under the Public Contract Regulations 2015, the Council is required to request an explanation of the price or costs proposed in a tender where that price or those costs appear to be abnormally low in relation to the requirement.

14.3.2. Advice should be sought from the Procurement Lead during this investigation process to ensure that the requirements of the Public Contract Regulations 2015 are complied with.

### 14.4. **Errors in Tenders**

14.4.1. If it is identified that a bidder has made an error or omission that is “obvious”, the Officer can request the bidder to correct this, as long as:

- a) the Chief Officer has given written approval, and is in agreement that the error or omission was “obvious”;
- b) it has been determined that the bidder has gained no unfair advantage from correcting the error or omission; and
- c) any such corrections are recorded, along with the approval decision.

### 14.5. **Receiving Late Submissions**

14.5.1. Where a Tender/Quote has been received late (beyond the stated response deadline), the Officer must get written approval to either accept or reject the submission from the relevant Chief Officer before opening any of the responses. Late submissions must only be accepted in exceptional circumstances.

14.5.2. The Officer must record:

- a) the circumstances behind the late response;
- b) how late the response was received;
- c) if any advantage could have been gained by the bidder in submitting the late response (i.e. having longer to respond to the opportunity compared with other bidders); and
- d) the Chief Officer’s decision to accept or reject the late response (based on the above points).

### 14.6. **Receiving Irregular Tenders**

14.6.1. Irregular tenders are those that:

- a) do not comply with the terms of the tender documents (i.e. fail to supply key information); or
- b) make reservations (i.e. if the pricing submitted contains conditions, when these are explicitly prohibited within the tender documentation).

14.6.2. If the Officer receives an irregular Tender, they shall immediately report this to the relevant Chief Officer.

14.6.3. The Chief Officer may accept the irregular tender if it has been determined that the bidder has gained no unfair advantage from the irregularity.

14.6.4. Any acceptance or rejection of irregular tenders shall be recorded in writing.

14.7. **GDPR and Data Protection Act 2018 Requirements**

14.7.1. The General Data Protection Regulations and Data Protection Act 2018 impose greater obligations on the Council to protect an individual's information.

14.7.2. Officers conducting a procurement should ensure that the GDPR screening questions, available from the Procurement Lead, are completed as early as possible in the planning stages of that procurement.

14.7.3. Should any of the GDPR screening questions be answered positively, further advice must be sought from the Procurement Lead and the Council's Data Protection Officer before any further action is taken. A non-disclosure data protection agreement (available from Legal Services) must be entered into either prior to or upon commencement of the Contract.

14.7.4. Officers shall consider the information governance requirements of the contract if they anticipate any Personal Data is to be processed as part of the contract e.g., data protection, security of information, records management.

14.7.5. Where Personal Data may be processed as part of the contract, a Privacy Impact Assessment tool shall be completed. This will help the Council identify the most effective way to comply with their data protection obligations and meet individuals' expectations of privacy.

14.7.6. Where requirements are identified by the Privacy Impact Assessment, the Officer shall ensure that any requirements of contractors are considered and built into the specification and assessed where necessary as part of the evaluation.

14.7.7. Any queries relating to this should be directed to the Council's Data Protection Officer.

14.8. **Freedom of Information**

14.8.1. The Council has specific obligations under the FOI Act 2000, regarding disclosure of information. Officers have an obligation to record and maintain accurate records relating to Contracts, as well as complying with FOI requests.

14.8.2. Bidders should be asked to identify any information they supply that is confidential or commercially sensitive, and detail why they consider this the case. This justification should be considered when responding to FOI requests.

14.8.3. Any queries relating to this should be directed to the Council's Data Protection Officer.

14.9. **Modern Slavery**

14.9.1. The Council is committed to ensuring that modern slavery does not exist within its supply chains.

14.9.2. All procurements with a total value of £50,000 or more are required to include the Standard Selection Question regarding Modern Slavery Act compliance.

14.9.3. Where procurement is considered high risk in terms of modern slavery, for example transport and waste related procurements, additional award questions should be considered with advice from the Procurement Lead.

14.9.4. Where a supplier is required to comply with the Modern Slavery Act, i.e., their turnover is above £36 million, that compliance should form part of the contract management (as per 15.1).

14.9.5. A Modern Slavery Helpline is available on Tel: 08000 121 700 or online (<https://www.modernslaveryhelpline.org/>). The Helpline provides information and advice about modern slavery, a 24-hour telephone reporting line and an online reporting function through the website

14.10. **Safeguarding Provisions in Contracts and Grant Arrangements**

14.10.1. Any service engaged by the Council should be provided on the basis of agreed terms or a contract. Safeguarding compliance should be included in all arrangements. All services commissioned by the Council must operate within the requirements of the Council's Safeguarding Policy and meet the relevant legislative standards. Where appropriate, procuring officers will need to ensure that contractors demonstrate that they meet these requirements.

14.10.2. It is expected that the lead officer on any commissioning project be responsible for ensuring that any contract includes proper provision for the safeguarding of children, young people, and adults with care and support needs; this also includes making reasonable requests for evidence from suppliers that the requirements stated in the Safeguarding Policy (where applicable) are in place or ready to be implemented. Where there is any confusion about the need for the inclusion of safeguarding in a contract arrangement clarification and/or advice should be sought from the Safeguarding Lead.

#### 14.11. Due Diligence

14.11.1. It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract. This will involve requesting, obtaining and maintaining records (and asking for appropriate evidence) of relevant due diligence, annual inspections and any future expiration/renewals. This may include (but not be limited to):

- a) Insurance certificates (new certificates to be requested upon expiry of the individual insurance policy);
- b) Details as required by the selection/suitability criteria asked as part of the procurement process (annually, upon anniversary of Contract start date):
  - i. Supplier policies
    - Quality Management
    - Environmental
    - Equality
    - Health and Safety
    - Data protection/GDPR
  - ii. Licences/certificates/registrations
  - iii. Business continuity plans
  - iv. Required training (and updates for staff (Council and supplier)
  - v. Staff certifications/qualifications (Council and staff); and
- c) A financial appraisal, which may include a financial credit check and / or a review of submitted financial information (as per the standard selection questionnaire). Finance can provide reports from the Council's credit check facility, and where required undertake a financial ratio analysis. Further information is available within the Procurement Toolkit on the procurement portal.

14.11.2. Before the contract commences (and regularly throughout the duration of a contract), contract managers should request and inspect key health and safety records to provide assurance that controls are operating effectively. The frequency of requests and types of records to be reviewed should be agreed and outlined as part of the procurement process. Records should include but not be limited to:

- Up to date Health and safety policies
- Risk Assessments
- COSHH assessment
- Induction and training records
- Fire safety logbooks (if applicable)
- PAT certificates
- Health and Safety inspections (as well as any actions arisen, and how they are being followed up on, reviewed and regularly monitored) and whether these are carried out by the Council or the supplier
- Accident reporting

14.11.3. Throughout the duration of the contract, Council Officer's must keep a record (and ask for appropriate evidence) of relevant due diligence as well as any future expiration/renewals.

**14.12. Impact of Organised Crime**

14.12.1. In 2016 a pilot study was undertaken which found links between organised crime and specific categories of public sector procurement.

14.12.2. Areas particularly at risk of involvement with organised crime are taxis/transport, waste and areas of low level spend, for example property maintenance.

14.12.3. If an Officer is seeking to procure in one of these higher risk categories, further advice should be sought from the Procurement Lead.

**14.13. Financial Sanctions Legislation**

11.11.1 Financial sanctions are imposed by government and may apply to individuals and entities in the UK and abroad. In most cases it is illegal to contract with individuals and entities subject to financial sanctions.

11.11.2 Any Officer concerned about whether the individual or entity they wish to enter into a contract with may be subject to financial sanctions should contact the Procurement Lead for advice.

**14.14. Sealing a Contract**

14.14.1. A contract must be sealed where:

14.14.1.1. The total value is over £50,000;

14.14.1.2. The Council wishes to enforce the contract for more than six years after its expiry; or

14.14.1.3. The price paid or received under the contract is a nominal price and does not reflect the value of the goods, services or works; or

14.14.1.4. There is any doubt about the authority of the person signing for the other contracting party; or

14.14.1.5. A Bond is established on behalf of the Supplier(s) or their guarantors; or

14.14.1.6. Required by the Parties to the agreement; or

14.14.1.7. Where the Monitoring Officer deems it appropriate.

14.14.2. Where contracts are completed by each side adding their common seal, the affixing must be attested by or on behalf of the Council in accordance with the Constitution. The Monitoring Officer is responsible for the process of sealing a contract.

14.14.3.If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.

14.15. **Reserving below Threshold Procurements (for Services contracts only)**

Officers can consider reserving below threshold services contracts to local (County) and/or SME (Small and Medium Sized Enterprises) status organisations as part of a procurement process.

This will be managed by officers on a case-by-case basis, after assessing the market to ensure there is sufficient competition (based on the reserved criteria). This will help support the local economy and encourage entrepreneurship and small businesses in the area.

Being able to reserve the procurement by supplier location would mean being able to run a competition and specify that only suppliers located in a geographical area can bid (Lincolnshire). Additionally, reserving the procurement for Small and Medium sized Enterprises (SMEs) would mean that only SMEs can bid, encouraging entrepreneurship, and attracting new and smaller organisations to work with and for the Council.

14.15.1.If Council Officers wish to reserve below threshold Services procurements as per the guidance set out in this section, they must:

- a) Consult with the Procurement Lead;
- b) Comply with all other Rules within this document;
- c) Provide rationale for reserving a contract; and
- d) Receive written approval from the relevant Director for this approach.

14.15.2.Council Officers may consider the following options for the procurement of below threshold Services contracts (applying either both or just one option):

- a) Reserve the procurement by supplier location - this means being able to run a competition and specify that only suppliers located in a geographical area can bid. This could be by county to tackle economic inequality and support local recruitment, training, skills and investment. Where a county reservation is to be applied, only a single county may be reserved. Supplier location should be described by reference to where the supplier is based or established and has substantive business operations and not by location of corporate ownership.
- b) Reserve the procurement for Small and Medium sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs) - this means being able to run a competition and specify that only SMEs and VCSEs can bid.

14.15.3.Definitions:

- a) Small and Medium sized Enterprise (SME): Any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.
- b) Voluntary, Community and Social Enterprises (VCSEs): Any organisation (incorporated or not) working with a social purpose. This ranges from small community-based groups / schemes, through to larger registered charities and social enterprises, public service mutuals and cooperatives that operate locally, regionally and nationally. This term is often interchangeable with the terms 'third sector' or 'civil society' organisations.
- c) Supplier Location: Where the supplier is based or established in a particular location and has substantive business operations in that location. In this context, this means having a registered office, factory or other permanent base in that location from which meaningful business operations have been conducted for at least 12 months. For example, if the reservation is for the UK or a county, this should not preclude foreign suppliers from participating as long as they are based or established and have substantive business operations in the UK in the first example or in Dorset in the second example.

14.15.4. When considering either of the above, Council Officers would need to:

- a) Make reservation decisions on a case-by-case basis, and record justifications for the decision to reserve a contract;
- b) Make the reservation clear in the procurement documentation in terms of any intention by including the standardised definitions of SME / VCSE and supplier location;
- c) Eliminate bidders that do not meet the stated criteria, following on from written approval being received from the relevant Director; and
- d) Ensure value for money can still be met, and an open competitive process is followed.

#### 14.16. **Bonds and Parent Company Guarantees**

14.16.1. Officers, when assessing the contractor's financial viability, shall consider whether the Council requires security for due performance of the contract.

14.16.2. Officers must consult the Section 151 Officer about whether a Bond or Parent Company Guarantee would be necessary where the total value exceeds £500,000. This must be determined prior to any procurement process, so that the requirement can be included in the terms and conditions for the contract.

14.16.3. Where security is considered to be appropriate and required, Officers shall specify in the tender the nature and amount of the security to be given. This as a minimum shall be at least 10% of the total value of the contract.

14.16.4. The security shall be obtained by the contractor in a format, and from an institution or bank approved by the Section 151 Officer.

**14.17. Procuring with External Grant Monies**

14.17.1. Procuring contracts using external grant monies can bring about additional risks to the Council due to additional regulatory requirements in the way the money is controlled and additional scrutiny that the procurement process may receive. Therefore, Officers must be fully aware of all requirements of the relevant funding body and ensure full compliance.

14.17.2. Officers shall ensure that they engage, in advance of undertaking a procurement activity, with the Procurement Lead, providing full access to any relevant additional guidance.

14.17.3. NOTE: Specifically for ERDF funding, the Officers shall appraise the intended procurement activity against the ERDF published 'common mistakes' guidance prior to initiating any procurement activity to ensure none of the common mistakes have been made.

**15. Contract Management**

**15.1. Contract Management**

15.1.1. The named Contract Manager should be noted in the Contract Register. All contracts must have a named Contract Manager for the entirety of the contract and that Contract Manager is responsible for the application of these Rules.

15.1.2. For all contracts valued over £50,000, the Contract Manager must identify the risks by maintaining a suitable risk register and ensure that suitable contingency measures are in place.

15.1.3. During the life of the contract, the Contract Manager must monitor the overall performance of the contract closely in order to ensure any issues of under-performance are addressed as soon as possible and any areas of added value are identified as soon as possible.

15.1.4. All contracts must contain the right to terminate the contract in the event of a contractor offering any inducement, committing fraud, or committing an offence under the Prevention of Corruption Acts.

15.1.5. All contracts must require contractors to comply with the Council's Corporate Counter Fraud Strategy.

15.1.6. Where a supplier intends to sub-contract, Officers must assess whether it is appropriate for the supplier to obtain a local quotation as part of this process, where local means the District of South Kesteven.

## 15.2. **Variations**

15.2.1. In any case where a variation (independently or cumulatively) means that the total value of a contract would exceed the relevant Public Procurement Threshold, or where there is any material change to the contract, the contract must be treated as a new procurement under these Rules.

If any variation (independently or cumulative) means that the total value of a contract would exceed a threshold set out in these Rules, Officers must seek advice from the Procurement Lead.

15.2.2. A material change is one which:

15.2.2.1. Would have allowed the admission of other Bidders or the acceptance or another tender; or

15.2.2.2. Extends the scope of the contract considerably to goods, services or works not initially covered by the Specification; or

15.2.2.3. Changes the economic balance in favour of the contractor in a manner not provided for in the procurement documents.

15.2.3. For clarity, a change will be deemed immaterial if the value of the modification is both below the relevant Public Procurement Threshold and below 10 % of the original contract value (15% for works contracts) as provided by Regulation 72 of the Public Contract Regulations 2015.

15.2.4. All variations to contracts shall be in writing, following approval in accordance with the Scheme of Delegation.

15.2.5. All variations to a contract (that was originally above the Public Procurement Threshold and therefore advertised on OJEU or Find a Tender Service) must have a Modification Notice published. Please discuss this with the Procurement Lead prior to any variation being entered.

## 15.3. **Extensions**

15.3.1. A contract should not be extended beyond its initial term unless the contract documents allow (the potential extension option was advertised).

15.3.2. A Framework Agreement shall only be extended if the contract documents and framework allow, and the original term and extension together should not exceed four years except in exceptional circumstances.

15.3.3. Where a business need has been identified which means that a contract is required to be extended beyond the term permissible in the original contract documents, advice must be sought from the Procurement Lead in the first instance and authority sought (using the Extension form in Appendix 3) from the Monitoring Officer or the S151 Officer if such an extension is proposed.

If any extension (independently or cumulative) means that the total value of a contract would exceed a threshold set out in these Rules, Officers must seek advice from the Procurement Lead.

The Officer must be satisfied that such an extension would achieve value for money and be reasonable in all circumstances. The Officer must record the reasons for these conclusions in writing.

15.3.4. All extensions to a contract (that was originally above the Public Procurement Threshold and therefore advertised on OJEU or Find a Tender Service) must have a Modification Notice published. Please discuss this with the Procurement Lead prior to any extension being entered.

DRAFT

## **Appendix 1: Definitions**

Agent(s)	A person or organisation acting on behalf of the Council, or on behalf of another organisation.
Award Criteria	The criteria used by the Council to evaluate a Bidder's submission against the needs identified within the specification to determine the successful tender.
Award Notice	A notice published on FTS (Find a Tender Service) (previously OJEU) and/or Contracts Finder which provides details of the winning bidder and the final value of the contract. Award notices are required for all procurements valued over £20,000
Bidder	An individual or organisation who submits a tender or quotation in a competitive procurement process
Bond	An insurance policy: If the provider does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the Bond (often 10% of the Total Contract Value). A Bond is intended to protect the Council against a level of cost arising from the provider's failure.
Candidate	An individual or organisation that has sought an invitation or has been invited to take part in a restricted procedure, a competitive procedure with negotiation, a negotiated procedure without prior publication, a competitive dialogue or an innovation partnership.
Conflict of interest	The concept of conflicts of interest shall at least cover any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.
Constitution	The Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to make sure these are efficient, transparent and accountable to local people.
Contract	A legal document that states and explains a formal agreement between two different parties.
Contracting Authority	Has the definition contained within the Public Contract Regulations 2015. It means the State, regional or local authorities, bodies governed by public law or associations formed by one or more such authorities or one or more such bodies governed by public law, and includes central government authorities, but does not include Her Majesty in her private capacity
Contract management	Is the process of managing contract creation, execution and analysis to maximize operational and financial performance at an organization, all while reducing financial risk.
Contract Register	A register that stores details of the Council's Contracts, including duration and expiry dates. All Contracts with a total value of £5,000 and above must be entered onto the register.
Contract term	Is the length of the contract including the initial term and any extension periods proposed.
Corporate Contract	A contract that has already been let by the Council.
Council	South Kesteven District Council.
Dynamic Purchasing System (DPS)	Is similar to an electronic framework agreement, with two exceptions, new suppliers can join at any time and it is to be run as a completely electronic process.

Electronic Tendering (eTendering)	A secure means to store and transmit all Procurement Documentation via a secure electronic vault (ProContract).
Evaluation	<p>The process of assessing received tenders or quotations against the published criteria to identify the winning bidder, i.e. the bidder with the highest evaluation score.</p> <p>Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice. Procurement Lead can act as the independent moderator but cannot undertake any scoring.</p>
Exception	An act or instance of waiving a right to obey these Rules.
Extension (contract)	An additional period identified within the contract, beyond the initial term which may be used to lengthen the contract term.
Find a Tender	An e-notification service which has replaced OJEU, used to post and view public sector procurement notices.
Framework Agreement	A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. It is a general term for agreements that set out terms and conditions for making specific purchases (call-offs).
Goods	Tangible products that satisfy a need.
Initial Term	The initial period of a contract which may be subsequently extended.
OJEU	The Official Journal of the European Union.
Parent Company Guarantee	A contract which binds the parent of a subsidiary company as follows: If the subsidiary company fails to do what it has promised under a contract with the Council, they can require the parent company to do so instead.
Personal Data	Any information relating to an identified or identifiable natural person ('data subject'); an identifiable natural person is one who can be identified, directly or indirectly, in particular by reference to an identifier such as a name, an identification number, location data, an online identifier or to one or more factors specific to the physical, physiological, genetic, mental, economic, cultural, or social identity of that natural person.
Procurement	Procurement is the process of finding, agreeing terms and acquiring goods, services or works from an external source, often via a tendering or competitive bidding process.
Procurement Documentation	The full suite of procurement documents required to undertake a compliant procurement process. Includes (but not limited to); Selection Questionnaire, Specification, Invitation to Tender, Terms and Conditions, TUPE information and Form of Tender.
Public Procurement Procedure	A procurement process where the total value exceeds the relevant Public Procurement Threshold and so governed by the Public Contract Regulations 2015 and the Concessions Contracts Regulations 2016.
Proportionate/ Proportionality	Operating in a way that ensures that all aspects of a tender process and contract management including; timescales, specifications, Suitability Criteria, evaluation process and Award Criteria correspond

	to the size, complexity, risk, and value of the requirements of the procurement and/or contract.
Public Procurement Threshold	The threshold above which a Regulated procedure must be carried out. There are thresholds for goods/services, works and concessions. The current thresholds are contained within Appendix 2.
Publicly available contract	A contract that has been let by another Contracting Authority and which is available for use by the Council. The Council must have been named specifically or generally within the procurement documentation in order to enable access.
Quotation	A formal statement setting out the estimated cost for a particular job or service.
Services	A valuable action, deed, or effort performed to satisfy a need or to fulfil a demand.
Specification	An exact statement of the particular needs to be satisfied, or essential characteristics that a customer requires (in a good, material, method, process, service, system, or work) and which a bidder must deliver.  The specification must cover the scope of the requirement i.e., the goods, services or works to be supplied, the “where” and “when” they are to be supplied as well as any relevant performance and contract management details. A template is available on the procurement portal.
Standard Suitability Questions/Questionnaire	The set of standard suitability or selection questions referred to in PPN 08/16 which must be used in all advertised procurements.
Selection Questions/Questionnaire	
Tender	A written invitation sent to potential suppliers of a good or service to inform them about the information required for the buyer to choose between them.
Terms and Conditions	General and special arrangements, provisions, requirements, rules, specifications, and standards that form an integral part of an agreement or contract.
TUPE	Stands for the Transfer of Undertakings (Protection of Employment) Regulations. This is relevant to any redundancy decisions where a business or part of it is transferred from one owner to another
Value for Money	Where quality and cost combine to produce a service which meets technical and customer requirements, at an acceptable level of expenditure in the prevailing budgetary constraints, for an acceptable level of quality.
Variation	Is an alteration to the scope, term or any other part of a Contract. The limitations of the Public Contract Regulations 2015 should be borne in mind when varying a contract.
Whole life costs	The total cost of ownership over the whole length of the contract and sometimes beyond.
Works	As defined by the Public Contract Regulations 2015. Means public contracts which have as their object any of the following:— (a) the execution, or both the design and execution, of works related to one of the activities listed in Schedule 2; (b) the execution, or both the design and execution, of a work;

	(c) the realisation, by whatever means, of a work corresponding to the requirements specified by the contracting authority exercising a decisive influence on the type or design of the work
--	--

DRAFT

## **Appendix 2: Variable Information**

The following information is subject to change during the currency of these Contract Procedure Rules and may be updated as changes occur by the relevant Strategic Director.

### Public Procurement Thresholds

The Government has revised the threshold figures, which came into force on 1<sup>st</sup> January 2022. These revised thresholds will not apply to any procurement which commenced prior to the Regulations coming into force.

From 1<sup>st</sup> January 2022 onwards, the Public Procurement Thresholds are:

**Goods and services:** £177, 897

**Works:** £4,447,447

**Concessions:** £4,447,447

**Light Touch Regime:** £552,950

### Welland Procurement Contact Information

Head of Procurement: Amy Myers ([amyers@melton.gov.uk](mailto:amyers@melton.gov.uk); 07342 062861)

Senior Procurement Officer: Paul Large ([plarge@melton.gov.uk](mailto:plarge@melton.gov.uk); 07769 918574)

Senior Procurement Officer: Paul Williams ([pwilliams@melton.gov.uk](mailto:pwilliams@melton.gov.uk); 07887 894811)

Senior Procurement Officer: Tina Rippingale ([trippingale@melton.gov.uk](mailto:trippingale@melton.gov.uk); 07342 062594)

Procurement Officer: Richard Moon ([rmoon@melton.gov.uk](mailto:rmoon@melton.gov.uk); 07896 856842)

[www.wellandprocurement.org.uk](http://www.wellandprocurement.org.uk)

### Appendix 3: Approval Forms

#### APPROVAL FOR USE OF A FRAMEWORK AGREEMENT

##### Guidance Notes

- a) A framework agreement is a contract let by another contracting authority, usually another Council, or an NHS body or a central purchasing authority (e.g. Crown Commercial Service).
- b) The framework agreement must have named the Council as one of its potential users, either generally or specifically.
- c) The framework agreement will have been published with rules and guidance notes; these must be followed in order for the call off contract to be compliant and valid.
- d) The Contract Procedure Rules and Procurement Toolkit contain further guidance on using a framework agreement.
- e) Approval must be sought before the framework call off process is started.

Name of Officer seeking approval	
Service area	
Contract title	
Description of contract (supporting documentation may be attached)	
Estimated total value of the contract	
Contract start date	
Name of framework agreement	
Owner of framework agreement	
Further competition or direct award	
Confirm that rules of the framework agreement have been followed	
Proposed length of contract (detail any extensions)	

##### Authorisation

Member of Senior Team Authorised:                      Yes        No   

Reason for Rejection (if applicable):

Signature

Print Name

Date

Please remember to:

- let the Procurement Lead have the relevant details to publish the contract award; and
- add your Contract to the Contracts Register.

## APPROVAL TO AWARD A CONTRACT

### Guidance Notes

- f) The Contract Procedure Rules set out the rules which must be followed for each value of procurement.
- g) The Procurement Toolkit is available to help you with practical advice on completing a procurement process.
- h) Procurement Lead is on hand to provide practical procurement advice and must be involved where the value of the procurement is over the relevant Public Procurement threshold (see Contract Procedure Rules for further details).

Name of Officer seeking approval	
Service area	
Contract title	
Description of contract (supporting documentation may be attached)	
Procurement process used	
Summary of evaluation criteria and weightings (supporting documentation may be attached)	
Copy of final evaluation schedule	Please attach
Reason for contract award	
Total value of the contract	
Contract start date	
Length of contract (detail any extensions)	
Confirm that Contract Procedure Rules followed	Yes <input type="checkbox"/> No <input type="checkbox"/>
If no, please provide further information	

### Authorisation

Head of Service/Assistant Director/Director: Yes  No

Reason for Rejection (if applicable):

Signature

Print Name

Date

Please remember to:

- let the Procurement Lead have the relevant details to publish the contract award; and
- add your Contract to the Contracts Register.

## APPROVAL FOR A CONTRACT EXTENSION

### Guidance Notes

- i) In normal circumstances it is only possible to extend a contract where such a provision is included in the original terms and conditions.
- j) In exceptional circumstances, as set out in 15.3.3 of these Rules it is possible to extend a contract even where there is no provision for such an extension within the original terms and conditions. However, advice must be sought from the Procurement Lead before taking such action.

Name of Officer seeking approval	
Service area	
Contract title	
Description of contract (supporting documentation may be attached)	
End date of initial term	
Allowable extension period (as defined in the Terms and Conditions)	
Requested extension period	
Reason for extension request	
<b>If there is no provision for an extension in the original terms and conditions:</b>	
Has the advice of Procurement Lead been sought?	
Has Procurement Lead agreed that the Regulation requirements for such an extension have been met?	
What is the % value of the proposed extension?	
Has the advice of Legal Services been sought? If so, please set out their advice here	

### Authorisation

Head of Service/Assistant Director/Director:                      Yes        No   

Reason for Rejection (if applicable):

Signature

Print Name

Date

**EXCEPTION APPROVAL**

**Name of Officer seeking Exception:**

**Service Area:**

**Contract Title:**

**Description of Contract** (attach supporting documentation if applicable):

**Estimated Total Value of Contract:**

**Target Contract Start Date:**

Date	Justification for Exception Request	Authorised by CMT member
	<b>Must be from the criteria set out in 4.5 of these Rules</b>	<b>Signed:</b>  <b>Name:</b>

*This Form should be kept on file as evidence of compliance with Contract Procedure Rules.*

<p><u>LEGAL SERVICES (LS) ACTION</u> LS AUTHORISED: YES/NO REASON FOR REJECTION (IF APPLICABLE): SIGNATURE: PRINT NAME: DATE:</p>
---

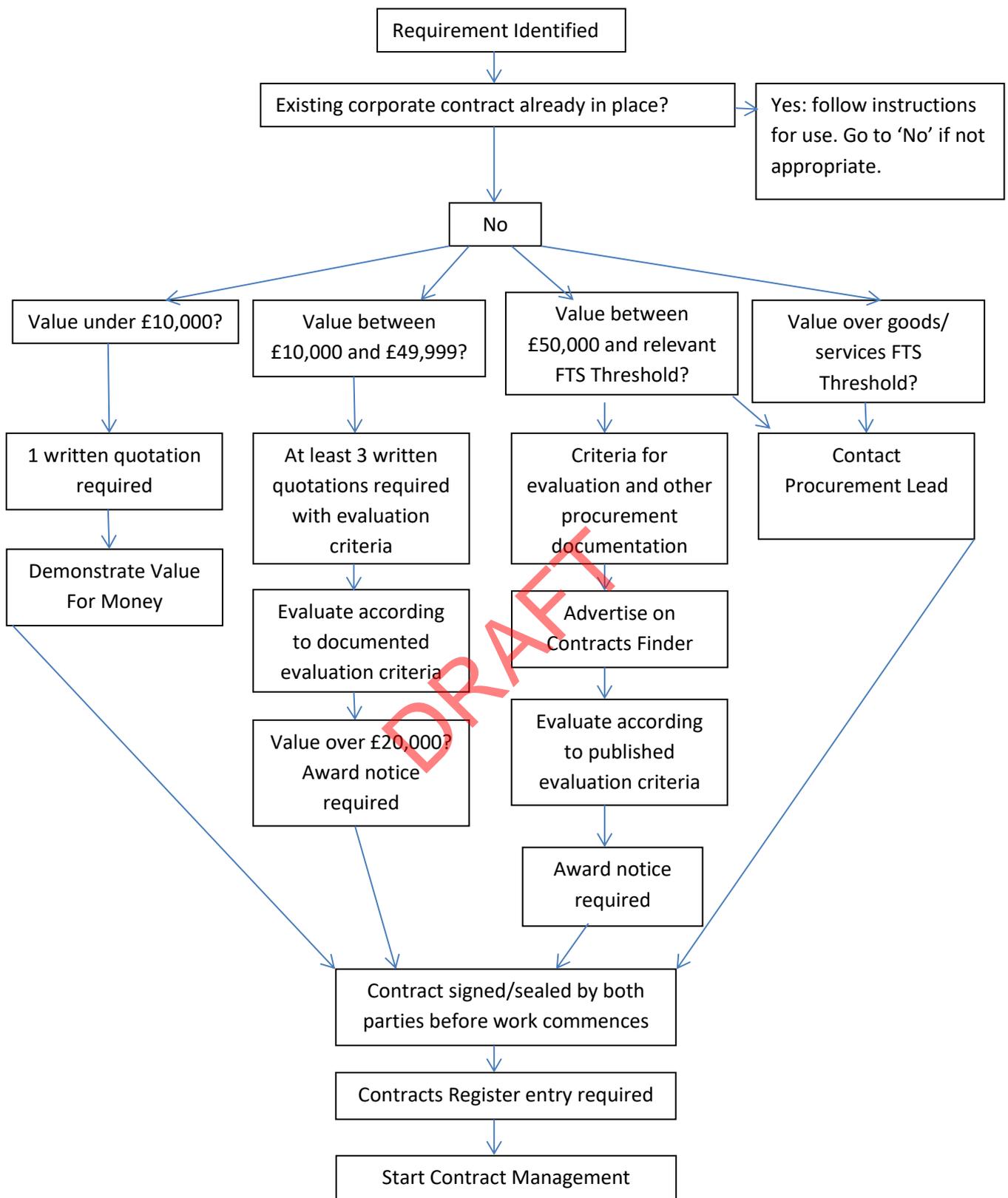
Please remember to:

- let the Procurement Lead have the relevant details to publish the contract award; and
- add your Contract to the Contracts Register.

#### APPENDIX 4: ROLES OF PROCUREMENT LEAD AND WELLAND PROCUREMENT

<b>Procurement Cycle Stage</b>	<b>Role Fulfilment</b>
Needs assessment/business case	Procurement Lead with relevant client officer (this is a key stage in the identification of possible savings, to ensure compliance and that where possible a commercial approach is being taken)
Options analysis	Procurement Lead with relevant client officer (for the same reasons as above)
Procurement Plan	Procurement Lead (with relevant Council client officer) and with input from the Procurement Lead as necessary.
Market testing/market engagement	Procurement Lead (with relevant Council client officer)
Production of procurement documentation including Specification, Request for Quotation an Invitation to Tender documents, Terms and Conditions of Contract	Procurement Lead (with relevant Council client officer and Legal Services)
Advertising (Contracts Finder and where necessary FTS)	Procurement Lead
Tender Evaluation	Procurement Lead (with relevant Council client officer) Legal Services advice should be sought where any challenge under Public Contract Regulations 2015 is anticipated.
Contract award notices	Procurement Lead
Contract award: contract signing, insertion in to Contract Register and contract management set up	Procurement Lead (with relevant client officer and Legal Services)
Contract Management support	Procurement Lead

**APPENDIX 5: QUICK REFERENCE GUIDE**



Approval to procure is required before procurement commences (via email) AND a decision to award must be obtained before a contract is awarded.

Procurements with a total value of £5,000 or more are subject to Transparency Regulations and will need to be entered on to the Council’s Contracts Register (on ProContract).

Total Value	Procurement Guidance	Governance Guidance
<b>Under £10,000</b>	<p><b>Notices Required:</b> None</p> <p><b>Method:</b> At least <b>one written quotation</b> required. (Rule 5.3)</p> <p><b>Note:</b> Budget Holders are responsible for all awards over £5,000 to be entered on the Contracts Register</p>	<p><b>Governance Process:</b> Decision does not require a formal officer decision notice. The Purchase Order (PO) should be raised before award, and this will be deemed sufficient authority to award the contract with a copy of all documentation kept on the file for audit purposes.</p> <p><b>Finance Process:</b> Must be within budget. A Purchase Order (PO) should be raised before award and authorised in accordance with the Council’s Financial Regulations.</p> <p><b>Legal Process:</b> PO Ts &amp; Cs are on the intranet. Please ensure these are fit for purpose for the contract before award. If bespoke terms are required, please instruct legal before procuring. PO to be approved / signed by the relevant Head of Service (Rule 5.7) prior to award of the Contract once all due diligence has taken place unless sealing applies (Rule 14.14). All documentation to be kept on file for audit purposes. All awards over £5,000 must be entered on the Contracts Register.</p> <p><b>Signing:</b> Can be signed by Head of Service.</p>
<b>Between £10,000 and £49,999</b>	<p><b>Notices Required:</b> None however if advertised or tendered, then contact Procurement Lead for guidance (Rule 6.3). All Contracts over £20,000 must have a formal award notice issued (on Contracts Finder) (Rule 6.4)</p> <p><b>Method:</b> At least 3 quotations should be</p>	<p><b>Governance Process:</b> All contracts below £25,000 do not require a formal decision record unless it is deemed high risk, politically or financially sensitive or other circumstances dictate a formal record is required. The Purchase Order (PO) should be raised before award, and this will be deemed sufficient authority to award the contract with a copy of all documentation kept on the file for audit purposes.</p> <p>All Contracts between £25,000 and £49,999 will require a decision record authorising the award of the contract <b>BEFORE</b> the Contract is awarded. Democratic Services can provide the relevant template(s). This decision can be made by the relevant Head of Service. If matter is high risk, politically or financially sensitive it should be made by the Director and/or relevant Portfolio Holder – please liaise with your Director for guidance).</p> <p><b>Finance process:</b> Must be within budget. A Purchase Order must be raised prior to award and signed off by the Budget Holder. Purchase Order must be authorised in accordance with the Council Financial Regulations.</p>

	sought using RFQ template with one supplier being local (Rules 6.3 and 6.9)	<p><b>Legal Process:</b> Standard T's and C's to be used. Purchase Order / Decision notice and printed copies of the Contract (No. of copies = No. of parties to the Contract) to be provided to legal signed by member of Senior Team as per delegations unless sealing applies (Rule 14.14). The award must be entered on the Contracts Register. All awards over £20,000 must have a Contract Finder Award Notice – consult Procurement Lead.</p> <p><b>Signing:</b> Can be signed by member of the Senior Team under delegation unless it is deemed high risk, politically or financially sensitive or other circumstances dictate.</p>
<b>Between £50,000 and Goods and Services Public Procurement Threshold</b>	<p><b>Notices Required:</b> Contracts Finder Advertising and Award notices. (Rule 7) Procurement Lead must be instructed.</p> <p><b>Method:</b> A single stage (open) tender is required. Tenders at this level are run via Council's etendering system.</p>	<p><b>Governance Process:</b> All contracts with a combined value of £50,000 up to £100,000 then approval must be by the relevant Assistant Director (or Director via an Officer Delegated Decision notice). All contracts with a combined value of £100,000 and up to £200,000 then approval must be by the relevant Director (or a member of the Corporate Management Team). All contracts with a combined value of £200,000 and above must follow the Key Decision process. Key Decisions can only be made by the Cabinet. All contracts must be on the Forward Plan for at least 28 days before the decision to award can be taken (at a Cabinet meeting or by decision notice). Once the decision notice is signed, there is a call-in period of 3 days which will have to pass before the Contract can be awarded.</p> <p><b>Finance process:</b> Must be within budget. Once awarded a Purchase Order must be raised. Purchase Orders must be authorised in accordance with the Council's Financial Regulations.</p> <p><b>Legal Process:</b> Cabinet decision required. Forward Plan timelines to be considered. Contract must be sealed (Rule 14.14).</p> <p><b>Signing:</b> The Contract must be sealed (Rule 14.14) – please refer to Legal Services for sealing.</p>
<b>Works Contracts between the Goods and Services Public Procurement Threshold and the Works Public</b>	<p><b>Notices Required:</b> Contracts Finder Advertising and Award notices. (Rule 8) Procurement Lead must be instructed.</p> <p><b>Method:</b> A single stage (open) tender or two</p>	<p><b>Governance Process:</b> All contracts of this value must <b>NOT</b> be awarded without it having followed the Key Decision process. The decision will be made by Cabinet. All contracts must be on the Forward Plan for at least 28 days before the decision to award can be taken (at a Cabinet meeting or by decision notice). Once the decision notice is signed, there is a call-in period which will have to pass before the Contract can be awarded.</p> <p><b>Finance process:</b> Must be within budget. Once awarded a Purchase Order must be raised. Purchase Orders must be authorised in accordance with the Council's Financial Regulations.</p>

<b>Procurement Threshold</b>	stage (restricted) tender can be used. Tenders at this level are run via Council's etendering system	<p><b>Legal Process:</b> Cabinet decision required. Forward Plan timelines to be considered. Contract must be sealed (Rule 14.14).</p> <p><b>Signing:</b> The Contract must be sealed (Rule 14.14) – please refer to Legal Services for sealing.</p>
<b>Over relevant Public Procurement Threshold</b>	<p><b>Notices Required:</b> Contracts Finder and Find a Tender Service Advertising and Award notices. (Rule 9)</p> <p><b>Method:</b> Procurement Lead must be instructed. A method defined by Public Procurement Regulations. Tenders at this level are run via Council's etendering system.</p>	<p><b>Governance Process:</b> All contracts of this value must <b>NOT</b> be awarded without it having followed the Key Decision process. The decision will be made by Cabinet. All contracts must be on the Forward Plan for at least 28 days before the decision to award can be taken (at a Cabinet meeting or by decision notice). Once the decision notice is signed, there is a call-in period which will have to pass before the Contract can be awarded.</p> <p><b>Finance process:</b> Must be within budget. Once awarded a Purchase Order must be raised. Purchase Orders must be authorised in accordance with the Council's Financial Regulations.</p> <p><b>Legal Process:</b> Cabinet decision required. Forward Plan timelines to be considered. Contract must be sealed (Rule 14.14).</p> <p><b>Signing:</b> Contract must be sealed (Rule 14.14) – please refer to Legal Services for sealing.</p>

This page is intentionally left blank

## Contract Procedure Rules

Following approval to implement a new updated Contract Procedure Rules

This document seeks to map out how areas of the original Contract Procedure Rules have transitioned with new information and changes in regulation, together with those areas that are recommended for deletion. It should be read in conjunction with the new proposed Contract Procedures Rules, together with the working copy of the original CPR which is colour coded as follows

The below table sets out recommended additions not included and deletions in the current Contract Procedure Rules, or recommended amendments to sections set out in the current Contract Procedure Rules for inclusion in the new document. These are highlighted in;

**Yellow - Recommended Additions:**

**Blue - Recommended Amendments:**

**Red – Recommended deletion**

Reference	Information	Explanation
1.5.	These Rules are supported by detailed, practical guidance available in the Procurement Toolkit, which can be accessed via the procurement portal. The Procurement Toolkit covers: <ul style="list-style-type: none"> <li>• The Procurement Cycle</li> <li>• Assessing Needs</li> <li>• When does TUPE apply?</li> <li>• Assessing Risks</li> <li>• Valuing Your Requirement</li> <li>• Understanding Social Value</li> <li>• Sustainable Procurement</li> <li>• Procurement timetable</li> <li>• Specification</li> <li>• Evaluation Methodology and Criteria</li> <li>• Terms and Conditions</li> </ul>	Provides valuable Procurement support and guidance to the Council Officers at SK and can be used as a signpost on a specific area.

	<ul style="list-style-type: none"> <li>• Due Diligence</li> <li>• The Procurement Process</li> <li>• Procuring via a Framework Agreement</li> <li>• Contract Management and Review</li> <li>• Variation</li> <li>• Extensions</li> </ul>	
1.6.	Any values stated within these Rules are exclusive of VAT.	Clear and transparent with regards to the value being 'EX VAT'.
1.9.5.	Contracts between Local Authorities as defined by Clause 12 of the Public Contracts Regulations 2015.	These were missing from the original Contract Procedure Rules and are part of the Public Contracting Regulation (PCR) 2015.
1.9.6.	Contracts between Local Authorities as defined by Clause 17 of the Concession Contracts Regulations 2015.	These were missing from the original Contract Procedure Rules and are part of the Public Contracting Regulation (PCR) 2015.
1.9.8.	Section 75 NHS Act 2006 arrangements (although details must be recorded on the Council's Contract Register).	These were missing from the original Contract Procedure Rules and are part of the Public Contracting Regulation (PCR) 2015.
1.10.1	Total Value is the maximum potential contract value. This is an estimation of the annual value, multiplied by the maximum contract length (including any extensions). This calculation is to be used for contracts that fall under the Public Procurement Regulations 2015. All references to "value" within these Rules refer to Total Value.	Provides a full definition of what 'Total Value' means. This definition strengthens the meaning compared to the definition in the original document.
1.10.3.	<p>For Concessions contracts (where the supplier makes money from the right given by the Council to provide), contract values are based on what it is worth to the supplier or the cost the Council would incur to provide the contract. The Total Value for these contracts shall be the total turnover of the concessionaire generated over the duration of the contract, as estimated by the Council, taking into account:</p> <ul style="list-style-type: none"> <li>(a) the value of any form of option and any extension of the duration of the concession contract;</li> <li>(b) revenue from the payment of fees and fines by the users of the works or services other than those collected on behalf of the Council;</li> <li>(c) payments or any other financial advantages, in any form, from the Council to the concessionaire, including compensation for</li> </ul>	'Concession Contracts' were missing from the original CPR's and is part of the Public Contracts Regulations 2015 (PCR).

	<p>compliance with a public service obligation and public investment subsidies;</p> <p>(d) the value of grants or any other financial advantages, in any form, from third parties for the performance of the concession contract;</p> <p>(e) revenue from sales of any assets which are part of the concession contract;</p> <p>(f) the value of all the supplies and services that are made available to the concessionaire by the Council, provided that they are necessary for executing the works or providing the services;</p> <p>(g) any prizes or payment.</p>	
1.10.5.	<p>Re-occurring Contracts shall not be put in place with the effect of preventing it from falling within the scope of these Rules, thresholds or any relevant Public Procurement Regulations. Spend must be aggregated where it is appropriate to do so, whether that is within Council departments, or across multiple departments for the same scope of work; to ensure value for money is achieved and reduce the duplication of work. Examples of where aggregate spend would be appropriate includes (but is not be limited to):</p> <p>(a) One department spot purchasing similar pieces of work on a regular basis throughout the financial year;</p> <p>(b) Multiple Council departments purchasing the same services under different contracts; and</p> <p>(c) Individual contracts being kept under a certain threshold to avoid procurement obligations within these Rules.</p>	<p>Provides full clarity to Council Officers on re-occurring Contracts and on spend aggregation within the Council.</p> <p>Was not included in the original CPR.</p>
2.5	The Officer must keep the records detailed in these Rules.	It's important that Council Officers keep a record of points contained in 2.15.
2.6	The requirements for the various procurement categories (based on total value) are detailed below. Where a procedure is required that would be above the Public Procurement threshold (in terms of total value), the Officer <b>must</b> contact Procurement Lead Procurement before embarking on the procurement.	It signposts the Council Officers to consider the total value and who to contact.
2.7	Officers should take all necessary legal, financial and other professional advice (e.g. HR, Comms etc.) and ensure the necessary	Reinforces the message to the Council Officers that they need to take all professional

	decisions are in place before embarking upon any procurement process. If in doubt, please speak to Democratic Services.	advice across the Council before proceeding with a procurement.
2.11.	As part of the service planning process Officers are expected to highlight all required procurement support through the annual Procurement Service Plan in advance of the next financial year.	This statement has been strengthened. It is best practice to plan your procurement activity in advance and proactively will lead to better planning and likelihood of achieving procurement outcome.
2.12.	Officers are responsible for the contracting activity, and must ensure: <ul style="list-style-type: none"> <li>a) Continued compliance with the Council's requirements;</li> <li>b) Value for money;</li> <li>c) Compliance with these Rules as well as any legal and statutory requirements; and</li> <li>d) Compliance with any relevant Council policy and Key Decision Threshold.</li> </ul>	Not included the current CPR's. Reinforces the responsibilities of the Officers
2.13.	The Officer is responsible for ensuring the Procurement Lead is aware of the timescales for upcoming procurement work, especially for contracts in excess of £50,000, in sufficient time.	Absent from present CPR's  High value/risk projects need to be identified in advance and will require support of the Procurement Lead to ensure the optimum outcome is achieved for the Council.
2.14.	The Officer must have regard to the guidance contained in the Procurement Toolkit which can be accessed via the procurement portal.	This point has been included to signposting the Council Officers to the Procurement toolkit
2.15.	Before beginning a purchase the Officer responsible for it must appraise the purchase and consider: <ul style="list-style-type: none"> <li>(a) Taking into account the requirements from any relevant Best Value or other review;</li> <li>(b) Appraising the need for the expenditure and its priority e.g. has a business case been developed which sets out the service objectives, the criteria for evaluation and the options for delivery;</li> <li>(c) Defining the objectives of the purchase;</li> <li>(d) Consider the risks associated with the purchase over its life and how to manage them;</li> </ul>	It is imperative the Council Officers consider these points when beginning their procurement journey.  All these highlighted points are for the Council Officers to consider.

	<ul style="list-style-type: none"> <li>(e) Considering what procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, and collaboration with other purchasers;</li> <li>(f) Establish if corporate contracts and/or suitable frameworks exist and assess their suitability;</li> <li>(g) Consulting users as appropriate about the proposed procurement method, contract standards, and also performance and user satisfaction monitoring; and</li> <li>(h) Selecting the most appropriate procurement method.</li> </ul>	
2.16	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. Budget approval ensures you have provision to fund any commitment within your own budget, and where sufficient budget isn't available the additional required funding has been sought and approved in accordance with the Council's Constitution.	It's imperative that Council Officers have seek budget approval, before proceeding with a procurement.
2.18	Officers will need approval to award, in line with the Constitution. This approval needs to be sought regardless of the procurement route i.e. Tender, Quotation, Framework Award or Exemption.	Reviewed and checked by Graham to align with the Councils Constitution.
2.18.1	For contracts with a total value under £50,000, this must be done in writing (email is sufficient).	Reviewed and checked by Graham to align with the Councils Constitution.
2.18.2 & 2.18.3.	Clarification of decision making process for contracts between £50,000 and £200,000.	Reviewed and checked by Graham to align with the Councils Constitution.
2.18.4.	<p>A Key Decision is an Executive decision (Officer Portfolio Holder or Cabinet) which is likely to result in the Council:</p> <ul style="list-style-type: none"> <li>(a) Incurring expenditure of £200,000 or more, or;</li> <li>(b) Making savings or generate income of £200,000 or more, and/or</li> <li>(c) Has a significant impact on two or more wards in the Borough and on communities living or working in those areas.</li> </ul>	Reviewed and checked by Graham to align with the Councils Constitution.

2.19.	<p>The provisions of the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) apply to a relevant business transfer where the transferor (incumbent supplier) has a dedicated team of employee(s) that carry out the service activity that is to be transferred. In practice this will often apply where a Council service is:</p> <ul style="list-style-type: none"> <li>• 'out-sourced'</li> <li>• brought back 'in-house' / in-sourced</li> <li>• where a contract that former Council employees are undertaking comes up for renewal and is awarded again to the same supplier or to a new supplier</li> <li>• transferred from one external organisation to another</li> <li>• TUPE is also likely to apply where a supplier who has been awarded a contract subsequently awards or sub-contracts all or part of it to another supplier, whilst retaining the contract with the main client</li> </ul>	<p>The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) were missing from the present CPR's.</p> <p>The Council must follow the TUPE regulations, as it may be included as part of a procurement exercise.</p>
2.19	<p>TUPE can apply irrespective of whether there has been a formal procurement exercise or not. Officers must ask the current Supplier whether or not any employee of the Council or of the Supplier may be affected by any transfer arrangement (TUPE). Where this is relevant, the Officer must ensure that the Transfer of Undertaking (Protection of Employment) issues are considered and obtain relevant advice before undertaking the procurement process. This will include liaising with Leicestershire County Council where any employee of the Council or of the Supplier is a member of the Local Government Pension Scheme (LGPS). Guidance on whether TUPE applies must be referred to Human Resources or Legal services in the first instance, before proceeding, so that the scope of any legal obligations may be identified. If TUPE does apply this must be factored into the procurement strategy / plan and timescales.</p>	<p>Another point where the Officers needs to follow the TUPE regulations set out and follow the processes.</p>
2.19	<p>Suppliers must seek their own legal guidance on the application of TUPE; the Council must not offer any such advice. The Council's only involvement with TUPE is to facilitate through the provision of TUPE information; it must not get involved in other TUPE related matters.</p>	<p>Another important message providing guidance for dealing with suppliers in relation to TUPE.</p>
2.19	<p>'TUPE Information' templates are available on the Welland procurement portal. This information will need to be completed by the current supplier which Officers will issue to the market as part of the</p>	<p>Signposting the Council Officers to the TUPE information templates</p>

	procurement documentation on which potential suppliers are invited to bid. This information must be gathered prior to going out to market, and Officers would need to review the information to ensure it has been anonymised (TUPE information is confidential – please discuss with Procurement Lead whether TUPE information should published with the tender pack, or to individual bidders, subject to the return of TUPE Confidentiality Agreement), and whether or not there are any LGPS (Local Government Pension Scheme) members. Officers can refer to the Procurement Toolkit available on the Procurement Lead portal for guidance on considerations for LGPS members.	
2.20	Officers must ensure that the contracts for which they are responsible are effectively managed and monitored to ensure they deliver the requirement as intended.	Council Officers are responsible for ensuring contracts are managed and monitored
2.21	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers are responsible for managing and monitoring Contracts throughout the duration of the Contract
2.25.	Where an Officer has a potential conflict of interest within a procurement process, the Officer must declare this immediately to the relevant Chief Officer and Monitoring Officer. The Officer may be required to withdraw from the procurement process. Any Officer who fails to declare such as conflict of interest may be subject to disciplinary proceedings and sanctions.	Council Officers must highlight any conflict of interest that they may have immediate with regards to the procurement process and potential opportunity.
2.25	A 'Conflict of Interest Declaration – Confidentiality Agreement' form can be obtained from the procurement portal.	This signposts the Council Officers to the relevant form.
3.	<b>Non-Compliance with these Rules</b>	New Heading included
3.1.	Where an Officer becomes aware of any non-compliance with these Rules (which cannot be remedied), they must declare this to the relevant Director and Monitoring Officer.	Rules Council Officers must follow and who they must provide the declarations to.
4.1 & 4.2	The exceptions listed in this Section do not apply to procurements with a total value above the relevant Public Procurement Threshold. The Officer must obtain a fully approved exception in advance of awarding a contract, and must ensure that the actual spend does not exceed the total value stated in the approved exception.	Advice for the Council Officers to follow in relation to the approval of exceptions
4.3.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This	Advice for the Council Officers to follow in relation to the approval of the budget

	approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Procedure Rules).	
4.4.	Signed contracts that have a total value of £10,000 or more must be scanned in and saved to central procurement area. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.	This is good practice and part of the audit requirements to have Contract's storage in one area
4.6	Where the total value of the contract is £5,000 or more, the resultant contract must be added to the Contract Register (on ProContract) to ensure compliance with Transparency Regulations.	The Council needs to comply with the Transparency Regulations.
4.7	An award notice is required on Contracts Finder for all Contracts with a total value of £20,000 or above. The Procurement Lead is responsible for such award notices. Officers must formally advise the Procurement Lead of the award details, so that they can publish the award notice.	The same rules apply for exceptions that Contracts awarded over £20k must be published on Contracts Finder.
5.1.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procedure, Council Officers must seek relevant budget approval.
5.2.	Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.	Council Officers may consider using 'Reserve Contracts', however they were not included in the current CPR's and needs to be included as part of the Public Contracting Regulation (PRC) 2015
5.9	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Ongoing Contract monitoring is essential, and it is the Council Officers responsibility to ensure this is happening.
6.1.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, the Council Officer must seek relevant budget approval.

6.2.	Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.	Reserve Contracts were not included in the current CPR's and needs to be included as part of the Public Contracting Regulation (PRC) 2015
6.4.	For contracts with a total value of £20,000 or more, if the Council chooses to advertise a quotation, for example because:	Advise for Council Officers if they choose to advertise a quote over £20k
6.4.1 & 6.4.2	The Officer cannot immediately identify three potential suppliers to invite to quote; and/or The procurement opportunity is either politically sensitive or high profile then it must be simultaneously advertised via the Procurement Lead on Contracts Finder.	This is new information that has been included in the CPR's. If the Council officers are in a position where they can't identify three supplier's or the requirement is of a sensitive or high profile nature
6.5	Where the Procurement Lead is instructed to support the procurement, the Officer must complete a Procurement Initiation Document (PID), available on the procurement portal, prior to the commencement of the procurement process (at pre-procurement stage).	It's important that the PID is completed, as it provides the Procurement Lead with key information to be able to review the procurement options available
6.7	2.1. The quotations must contain (as a minimum): a) The goods, services or works to be supplied; b) The "where" and "when" they are to be supplied; c) Instructions to bidders: d) Evaluation criteria e) How to respond f) How clarification messages are to be asked (who sent to, any deadlines for messages) g) Information bidders need to include within response h) Deadline for responses (day and time); and i) The short form terms and conditions to be applied (available in Q:\21 Procurement\Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services).	Good practice to highlight to the Council Officers the information required to be included in the RFQ.

6.8	In some instances Officers may need to consider TUPE implications	More of a reminder to the Council Officers that they may need to consider TUPE implication when using this procedure
	At least one of the suppliers invited to submit a quotation should be local, where local means in the sub-region or region.	This has been removed from the CPR, as it has been replaced by another point
6.9	At least one of the suppliers invited to submit a quotation should be local, where local means operating from a business address within the boundary of South Kesteven. Where a local supplier cannot be identified, the Officer must keep a written record of the reason.	This statement has been strengthened from the current CPRs to define what a 'Local Supplier' means.
6.13	As part of the procurement process (quotation), potential bidders can seek clarification on either the information published or the process itself.	This provides Council Officers with information of how to deal with clarifications
6.14	The nature of any clarification or response from the Council must not materially change the scope/substance of the requirement. If it does, Officers may need to abandon the process and restart, using revised documentation. Please discuss this with the Procurement Lead	This provides Council Officers with information of how to deal with clarifications
6.14.1.	All requests for clarification and questions relating to the quote (and its associated documents) must be submitted as per the instruction document (via email or ProContract)	This provides Council Officers with information of how to deal with clarifications
6.14.2.	The Council must respond to all clarifications as soon as possible (via email or ProContract)	This provides Council Officers with information of how to deal with clarifications
6.14.3.	A copy of all requests for clarifications and the responses must be anonymised and published to all potential bidders (who have either been invited to quote, or have expressed an interest in the quote) where the clarification and response are not considered confidential	This provides Council Officers with information of how to deal with clarifications
6.14.4.	If a potential bidder wishes the Council to treat a clarification as confidential and therefore not publish the response to all, it must state this when submitting the clarification. If in the opinion of the Council, the clarification is not confidential, the Council will publish it in an anonymised format	This provides Council Officers with information of how to deal with clarifications
6.14.5.	Officers must state a deadline for receipt of clarifications	This provides Council Officers with information of how to deal with clarifications

6.14.6.	Officers must keep a record of communications between potential bidders and the Council	This provides Council Officers with information of how to deal with clarifications
6.14.7.	Unless it is part of a clarification and the above is observed, Officers must not:	This provides Council Officers with information of how to deal with clarifications
6.14.7.1	Make contact with suppliers/potential bidders	This provides Council Officers with information of how to deal with clarifications
6.14.7.2	Send information to suppliers/potential bidders	This provides Council Officers with information of how to deal with clarifications
6.14.7	If a supplier/potential bidder makes contact with an Officer, they should advise them that messages must be submitted as per the instruction document; via email or ProContract.	This provides Council Officers with information of how to deal with clarifications
6.15.	Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process.	Provides advice to Council Officers regarding the minimum number of evaluators and the process for moderation
6.16.	The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; it is advisable to ask all evaluators to complete, sign and return this document to the Council lead. The procurement Lead can act as the independent moderator but cannot undertake any scoring. Clarification questions may be asked where responses would not result in a material change of the bid received.	Conflict of Interest Declaration – Confidentiality Agreement' must be completed by Council Officers to ensure guidance on evaluations
6.17.	Contract award must be approved as per 2.18 of this document	Within this procedure the Council Officer must complete the relevant contract award documentation, then refer to the relevant point in the document
6.19.	or a person authorised by them in accordance with the delegation scheme.	Must refer to delegation scheme.
6.22.	All signed contracts must be scanned in and saved to the relevant Directorate and the Contracts Register. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.	Council Officers must ensure Contracts are saved and stored in the correct place.

6.23.	If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notice	If a Council Officers has used this procedure and manage the process on their own that they must inform the Procurement Lead of award.
6.24.	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers must ensure contracts are managed and monitored through the duration of the Contract
7.1.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, Council Officers must seek relevant budget approval.
7.2.	Council Officers may decide it is appropriate to reserve contracts for services at this value to the local area or SME's/voluntary sector. Please refer to the appropriate guidance in this document (and consult the Procurement Lead) before any reservations are made.	Reserve Contracts were not included in the previous CPR's and needs to be included as part of the Public Contracting Regulation (PRC) 2015
7.3	The Procurement Lead should be notified in respect of all contracts with a total value between £50,000 and the current goods and services Public Procurement Threshold because a single stage/open tender process must be completed. This means that all interested suppliers are eligible to submit a Tender.	Due to the value of spend for this procurement procedure, the Procurement Lead needs to be involved in supporting the project.
7.4	Where the Procurement Lead are instructed to support the procurement, the Officer must complete a Procurement Initiation Document (PID), available on the procurement portal, prior to the commencement of the procurement process (at pre-procurement stage).	It's important that the PID is completed as it provides the Procurement Lead with key information to be able to review the procurement options available.
7.6.	Council Officers must conduct the Tender process using the Procurement Lead Procurement's tender portal (unless agreed otherwise by the Head of Welland Procurement). Open Tender Document One must be used to ensure that the required Standard Suitability Questions are used. The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the Specification, Long Form Terms and Conditions of Contract (available in T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal	Confirmation to the Council Officers that the Procurement Lead must manage the process and use the appropriate tender documents through the tendering portal

	Services), TUPE information (where applicable) and evaluation criteria.	
7.7	As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself	Councils Officers to be aware that bidders can seek clarification on the tender or tender process
7.8	The nature of any clarification or response from the Council must not materially change the scope/substance of the requirement. If it does, Officers may need to abandon the process and restart, using revised documentation. Please discuss this with the Procurement Lead.	Provides details on how Council Officers should deal with and manage clarifications
7.8.1.	All requests for clarification and questions relating to the tender (and its associated documents) must be submitted as per the instruction document (via ProContract)	Provides details on how Council Officers should deal with and manage clarifications
7.8.2.	The Council must respond to all clarifications as soon as possible (via ProContract)	Provides details on how Council Officers should deal with and manage clarifications
7.8.3.	A copy of all requests for clarifications and the responses must be anonymised and published to all potential bidders (who have expressed an interest in the tender) where the clarification and response are not considered confidential	Provides details on how Council Officers should deal with and manage clarifications
7.8.4.	If a potential bidder wishes the Council to treat a clarification as confidential and therefore not publish the response to all, it must state this when submitting the clarification. If in the opinion of the Council, the clarification is not confidential, the Council will publish it in an anonymised format	Provides details on how Council Officers should deal with and manage clarifications
7.8.5.	Officers must state a deadline for receipt of clarifications	Provides details on how Council Officers should deal with and manage clarifications
7.8.6. & 7.8.7	Officers must keep a record of communications between potential bidders and the Council. Unless it is part of a clarification and the above is observed, Officers must not:	Provides details on how Council Officers should deal with and manage clarifications
7.8.7.1.	Make contact with suppliers/potential bidders	Provides details on how Council Officers should deal with and manage clarifications

7.8.7.2.	Send information to suppliers/potential bidders	Provides details on how Council Officers should deal with and manage clarifications
7.8.7	If a supplier/potential bidder makes contact with an Officer, they should advise them that messages must be submitted as per the instruction document; via ProContract.	Provides details on how Council Officers should deal with and manage clarifications
7.16.	All signed contracts must be scanned in and saved to the relevant Directorate and the Contracts Register. Officers must then provide Legal Services with any paper copies of the Contract for the subsequent storage and safe keeping.	Council Officers will ensure Contracts are saved and stored in the correct place.
7.17.	These documents should be stored in the Council's central Procurement filing system.	Council Officers must store documents in the central procurement filing system
7.17.	Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process and stored as detailed in clause 7.27 and 7.28 below.	Council Officers must ensure all documentation is returned from the agent managing the procurement process.
7.18.	An award notice is required on Contracts Finder; the Procurement Lead is responsible for such award notices. If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notice.	In following this procurement procedure contract awards notices must be published by the Procurement Lead.
7.19.	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers must ensure contracts are managed and monitored throughout the duration of the Contract
8.1.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations).  Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, Officer must seek relevant budget approval.

8.2.	The Procurement Lead should be instructed for all Works contracts with a total value between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold.  The authorised Officer can choose either a single stage/open tender or two stage/restricted process.	Due to the value of the spend for this procurement procedure, the Procurement Lead needs to be involved in supporting the project.
8.3.	Where conducting a two stage/restricted process, Officers should use the PAS91 PQQ for works contracts (including the procurement of goods and services needed in relation to the works).	Important information for Council Officers to follow regarding conducting a restricted process
8.6.	Council Officers must conduct the Tender process using Procurement Lead Procurement tender portal (unless agreed otherwise by the Head of Welland Procurement). Open Tender Document One must be used to ensure that the required Standard Suitability Questions are used. The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the Specification, Long Form Terms and Conditions of Contract (available in Q:\21 Procurement\Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services), TUPE information (where applicable) and evaluation criteria.	Confirmation to the Council Officers that the Procurement Lead must manage the process and use the appropriate tender documents through the tender portal
8.7.	As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.	Details included refer to managing the clarification process.
8.10. & 8.11	Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process.	Provides advice to the Council Officers regarding the minimum number of evaluators and the process for moderation
8.11.	The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; this form must be completed, signed and returned to the Procurement Lead. The Procurement lead can act as the independent moderator but cannot undertake any scoring.	Conflict of Interest Declaration – Confidentiality Agreement' must be completed by Council Officers
8.13.	Contract award must be approved as per 2.18 of this document.	Within this procedure the Officer must complete the relevant contract award

		documentation. Refers back to the relevant point in the document
8.18.	These documents should be stored in the Council's Central Procurement Filing System.	Council Officers must store documents in the central procurement filing system
8.18.	Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process and stored as detailed in clause 8.16 and 8.17.	Council Officers must ensure all documentations is returned from the Agent managing the procurement process.
8.20.	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers must ensure contracts are managed and monitored throughout the duration of the Contract
9.1.	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, the Council Officer must seek relevant budget approval.
9.3.	All goods, services and works with a procurement total value in excess of the relevant Public Procurement threshold are enforced by the Public Contracts Regulations 2015, and over threshold public works concessions and public services concessions are enforced by the Concessions Contracts Regulations 2016. These Regulations set out strict processes that have to be followed, as well as remedies available to suppliers. The principles that Officers need to comply with are:  a) equal treatment; b) non-discrimination; c) mutual recognition; d) proportionality; and e) transparency.	As part of the Public Contracts Regulations 2015 it is imperative in all procurement procedures that the principles are comply with
9.3.	Officers must comply with these Regulations and principles at all times.	Council Officers must comply with regulations and the principles

9.4.	<p>Where the Officer is following one of the below procurement processes, the number of bidders invited to tender or to conduct a dialogue can be limited (out of those meeting the selection criteria). This must be indicated in the contract notice and the tender documentation (shortlisting criteria, the minimum number of candidates the Officer intends to invite and, where applicable the maximum number).</p> <p>a) In the restricted procedure, the minimum number of candidates shall be 5.</p> <p>b) In the competitive procedure with negotiation, the competitive dialogue procedure and the innovation partnership procedure, the minimum number of candidates shall be 3.</p>	Important message for Council Officers to understand and follow regarding restricted and competitive procedure with negotiation, the competitive dialogue procedure and the innovation partnership procedure
9.4.	Where the number of candidates meeting the selection criteria and the minimum levels of ability is below this minimum number, the Officer may continue the procedure by inviting the candidates with the required capabilities but must record the reason for doing so.	Important Information included regarding the candidates/suppliers meeting the selection criteria when following a procedure
9.5.	<p>2.2. The Officer must:</p> <p>a) adhere to the minimum timescales stipulated in the Regulations;</p> <p>b) ensure the specification clearly describes the intended outcomes or outputs, and that it is complete and fair;</p> <p>c) assess the quality of tenders as per the Regulations;</p> <p>d) ensure the evaluation criteria (and any sub criteria) is disclosed in the Tender documentation and advertisements;</p> <p>e) ensure the Contract terms and conditions allow for modification, should the total value increase or decrease due to amended volumes/values;</p> <p>f) treat selection and award criteria separately.</p>	Council Officers must follow the regulations when undertaking the procurement exercise
9.6.	The Officer must complete a Procurement Initiation Document (PID), provided by the Procurement Lead prior to the commencement of the procurement process (at pre-procurement stage).	It's important that the PID is completed as it provides the Procurement Lead with key information to be able to review the procurement options available.
9.7.	The procurement must be advertised on Contracts Finder and on Find a Tender, the Procurement Lead is responsible for managing this advertising.	The responsibility of the Procurement Lead is to take this action.

9.8.	The procurement will be managed using an electronic tendering system; the Officer must therefore contact the Procurement Lead to access that system.	Details for Council Officers where the procure is managed through the e-tendering system
9.9.	As part of the procurement process (tender), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.7 of this document.	Details included refer to managing the clarification process and the relevant points that you must follow
9.10.	Council Officers must conduct the Tender process using Procurement Lead Procurement's tender portal (unless agreed otherwise by the Head of Welland Procurement). Open tender Document One must be used to ensure that the required Standard Suitability Questions are used. The Officer must ensure that all relevant procurement documents are finalised before the procurement is advertised, these will include at least the Specification, Long Form Terms and Conditions of Contract (available in Q:\21 Procurement\Standard T's & C's, unless using another appropriate set of terms and conditions, as agreed by Legal Services), TUPE information (where applicable) and evaluation criteria.	Confirmation to the Council Officers that the Procurement Lead must manage the process and use the appropriate tender documents through the tender portal
9.11.	Tenders will be received via the electronic tendering system. The Procurement Lead will be responsible for opening tenders.	Responsibility for running this procurement procedure lies with the Procurement Lead.
9.12 - 9.14.	Tenders must be evaluated in accordance with the advertised evaluation criteria, clarification questions may be asked as long as the response would not have the effect of materially changing the tender received. Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on evaluation principles and best practice; this form must be completed, signed and returned to the Procurement Lead. The Procurement Lead can act as the independent moderator but cannot undertake any scoring.	Information for Council Officers to consider when tendering

9.15.	The bidder with the highest evaluation score will be awarded the contract, as per the award criteria detailed.	Part of the regulations stipulate the process for awarding to the highest score
9.16.	Contract award must be approved as per 2.18 of this document.	Within this procedure the council Officer must complete the relevant contract award documentation and refers back to the relevant points in the document
9.17.	All bidders must be notified of the Award decision simultaneously in writing (via the Council's electronic tendering system) by the Officer (or the Procurement Lead), whether or not their bid was successful. The letters must include: a) the award criteria; b) the name of the successful bidder(s); c) the score of the recipient; d) the score of the successful bidder(s); e) details of the reason for the decision, including the characteristics and relative advantages of the successful tender; and f) confirmation of the date before which the contracting authority will not enter into the contract or framework agreement (i.e., the date after the end of the standstill period).	This point defines what should be included in the award decision for Council Officers information and part of the Public Contracts Regulations (2015)
9.18.	The contract will require sealing, please see Section 14.14 below.	Council Officers must follow the seal process for signing a contract
9.19.	The details of the resultant contract must be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.	Council officers must comply with added the Contract to the Contracts Register
9.20.	The Officer must keep the following records: a) A record of all decisions from pre to post procurement; b) The method of obtaining tenders; c) Tender documents produced by the Council; d) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract; e) A written record of the evaluation; f) A record of the Award approval;	As part of regulation 84 of the Public Contracts Regulations (2015) the Council must record this information

	<p>g) A signed copy of the Contract which should retained for the life of the contract and in normal circumstances for 6 years thereafter; and</p> <p>h) Communications to and from bidders during the procurement process.</p>	
9.20.	These documents should be stored in the Council's central Procurement filing system.	Council Officers must store documents in the central procurement filing system
9.20.	Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process and stored as detailed in clause 9.18 and 9.19 above.	Council Officers need to ensure that when Agents manages the procurement process that this is follow
9.21	An award notice is required on Contracts Finder and Find a Tender; the Procurement Lead is responsible for such award notices. If an Officer has managed the procurement process without assistance from the Procurement Lead, they must formally advise them of the award details, so that they can publish the award notices.	In following the Public Contracts Regulations and this procurement procedure contract awards notices must be published.
10.1	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, Council Officers must seek relevant budget approval.
10.2.	<p>A contract of any value can be procured via a framework agreement or DPS. Compliance with these Rules and relevant national law is achieved through compliance with the framework agreement/DPS terms and conditions. This will involve:</p> <ul style="list-style-type: none"> <li>• reviewing relevant Framework/DPS guidance document(s)</li> <li>• reviewing the correct process for call off (which may be through further competition or direct award)</li> <li>• following the stated call off process, as laid out in the Framework/DPS documentation</li> </ul>	This point refers to Council Officers complying with the framework agreements or DPS processes and documentation
10.2.	Please speak to the Procurement Lead for further advice regarding Framework and call off compliance.	Council Officer are required to seek advice from the Procurement Lead regarding the chosen procurement route

10.3.	As part of the procurement process (call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.	Details included refer to managing the clarification process using this procedure and rules that you must follow
10.4	For the avoidance of doubt, a framework agreement or DPS is considered a compliant procurement route where: <ul style="list-style-type: none"> <li>a) It has been entered into by the Council in compliance with these Rules; or</li> <li>b) Another contracting authority, purchasing consortium or Central Government has tendered the framework agreement or DPS in compliance with national procurement law and the Council is named as a potential user of the arrangement.</li> </ul>	Important information regarding frameworks and DPS's for Council Officers to follow
10.5.	All goods, services and works with a procurement total value in excess of the relevant Public Procurement threshold are enforced by the Public Contracts Regulations 2015, and over threshold public works concessions and public services concessions are enforced by the Concessions Contracts Regulations 2016. These Regulations set out strict processes that have to be followed, as well as remedies available to suppliers. The principles that Officers need to comply with are: <ul style="list-style-type: none"> <li>a) equal treatment;</li> <li>b) non-discrimination;</li> <li>c) mutual recognition;</li> <li>d) proportionality; and</li> <li>e) transparency.</li> </ul>	As part of the Public Contracts Regulations 2015 and Concessions Contracts Regulations 2016. The message is imperative in all procurement procedures that the principles are complied with.
10.5.	Officers must comply with these Regulations and principles at all times.	Council Officers must comply with the regulations and principles
10.6	The procurement will be managed in line with the appropriate Rule, dependent on the total value of the contract (unless otherwise detailed by the Framework/DPS Owner).	Council Officers must comply with the rules regard total value of the contract within the framework or DPs.
10.6	Procurements valued under £10,000 see Rule 5	Council Officer must refer to this point in the CPR's regarding submitting quotes by email
10.6	Procurements valued between £10,000 and £49,999 see Rule 6	Council Officer must refer to this point in the CPR's regarding the number of quotes and advertising the opportunity

10.6	Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7	Council Officer must refer to this point in the CPR's regarding using the procurement document templates and opening the tenders via the e-tendering system.
10.6	Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8	Council Officer must refer to this point in the CPR's regarding following the Public Contracting Regulations 2015.
10.6	Procurements valued over the Relevant Public Procurement Threshold see Rule 9	Council Officer must refer to this point in the CPR's regarding following the Public Contracting Regulations 2015 and Concessions Contracts Regulations 2016
10.7	It is recommended that the Further Competition Template document is used which can be obtained from the procurement portal or the Procurement Lead; if template documentation is provided by the Framework/DPS Owner, Officers can make use of this.	Refers to Council Officers using the appropriate further competition template documentation
10.7	In any case the criteria for selecting the most advantageous submission must be established before call offs submissions are invited and be made clear in the procurement documentation. The call offs must contain (as a minimum): a) The goods, services or works to be supplied; b) The "where" and "when" they are to be supplied; c) Instructions to bidders: a. Evaluation criteria b. How to respond c. How clarification messages are to be asked (who sent to, any deadlines for messages) d. Information bidders need to include within response e. Deadline for responses (day and time); and f. The terms and conditions to be applied to the call off (as per Framework/DPS guidance document, please use the terms stated; these must be agreed by Legal Services).	Council Officer should ensure that the appropriate information is included in the documentation
10.7	In some instances Officers may need to consider TUPE implications.	More of a reminder that Council Officers may need to consider TUPE implication when using this procedure

10.8	Submissions must be evaluated in line with the Framework/DPS guidance document and the appropriate Rule, dependent on the total value of the contract.	Council Officers must refer to rules set up in the CPR'S
10.8	Procurements valued between £10,000 and £49,999 see Rule 6.14	Council Officers must adhere to evaluations processes detailed in the following points
10.8	Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7.10 and 7.11	Council Officers must adhere to evaluations processes detailed in the following points
10.8	Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8.9, 8.10, 8.11 and 8.12	Council Officers must adhere to evaluations processes detailed in the following points
10.8	Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 9.12, 9.13, 9.14 and 9.15	Council Officers must adhere to evaluations processes detailed in the following points
10.8	Contract award must be approved as per 2.18 of this document.	Within this procedure the council Officer must complete the relevant contract award documentation and refers back to the relevant points in the document
10.10	All bidders must be notified of the Award decision simultaneously in writing (via the method used to run the procurement process i.e. email, ProContract or other system used by the Framework/DPS owner) by the Officer (or the Procurement Lead Unit or the Framework/DPS owner), whether or not their bid was successful.	Council Officers must ensure they follow the rules regarding award decisions.
10.11	The contract must be signed/sealed in line with the appropriate Rule, dependent on the total value of the contract. <ul style="list-style-type: none"> <li>• Procurements valued under £10,000 see Rule 5.7</li> <li>• Procurements valued between £10,000 and £49,999 see Rule 6.20</li> <li>• Procurements valued between £50,000 and Current Goods and Services Public Procurement Threshold see Rule 7.15</li> <li>• Procurements for Works Contracts Valued between the Goods and Services Public Procurement Threshold and the Works Public Procurement Threshold see Rule 8.16</li> <li>• Procurements valued over the Relevant Public Procurement Threshold see Rule 9.18</li> </ul>	It's imperative that rules are followed regarding the contract being signed / sealed depending on the total value of spend.

10.11.	If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.	Council Officers must speak to Legal Services regarding advice and guidance on electronic signatures.
10.12	Where the Council is using an external framework, and the total value of the contract is £5,000 or above, the resultant contract must be added to the Contract Register to ensure compliance with Transparency Regulations.	Reinforce message to ensure Contracts are added to the Contracts Register and compliance with Transparency Regulations.
10.12	Where the Council has set up a framework, only the framework is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the framework.	Message to the Council Officers is to understand what should be recorded on the Contracts register
10.13.	Signed contracts that have a total value of £5,000 or more be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.	In following the Transparency Regulations, contracts must be stored on the Contracts Register
10.12	Where the contract has a total value of £20,000 or above an award notice is required on Contracts Finder. The Officer must formally advise the Procurement Lead of the award details, so that they can publish the award notice.	In following the Public Contracts Regulations 2015 and this procurement procedure, contract awards notices must be published.
10.14	<p>2.3. The Officer must keep the following records:</p> <ul style="list-style-type: none"> <li>a) A record of all decisions from pre to post procurement;</li> <li>b) The method of obtaining tenders;</li> <li>c) Tender documents produced by the Council;</li> <li>d) Tenders received from bidders. The successful tender should be retained for at least the life of the contract. Unsuccessful tenders should be retained for the first 12 months of the contract;</li> <li>e) A written record of the evaluation;</li> <li>f) A record of the Award approval;</li> <li>g) A signed copy of the Contract which should retained for the life of the contract and in normal circumstances for 6 years thereafter; and</li> </ul>	As part of regulation 84 of the Public Contracts Regulations (2015), the Council must record this information

	h) Communications to and from bidders during the procurement process. These documents should be stored in the Council's Central Procurement Filing System: Q:\21 Procurement.	
10.14.	Where an Agent has managed the procurement on behalf of the Council, the Officer must ensure that the above documents are returned to the Council upon completion of the process and stored as detailed in clause 10.14.	Council Officers need to ensure that when Agents manages the procurement process that this is follow
10.15	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers must ensure contracts are managed and monitored through the duration of the Contract
11.1	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, Council Officers must seek relevant budget approval.
11.2	Framework agreements set out the general terms under which specific purchases ("call offs") can be made under the agreement. The purpose of using a framework is to enable contracting authorities to award individual contracts without going through a full procurement process each time. A framework agreement may be established with one supplier ("single supplier frameworks") or with more than one ("multiple supplier frameworks").	Important information regarding the set up of framework agreements
11.3	The minimum number of suppliers for a multiple supplier framework is two.	Key information in regards the minimum number of suppliers for a multiple framework.
11.4	Framework agreements must not exceed four years. Call-off contracts based on framework agreements may be longer than four years and may extend beyond the expiry date of the framework.	Key message to Council Officers regarding the duration of s framework.
11.5	Framework agreements should be set up to allow for mini-competitions to run as the first option for selecting a supplier. Where this is not the case, Procurement Lead should be consulted.	Important information for Council Officers to consider in relation to setting up the framework

11.6.	As part of the procurement process (either the creation of the Framework or any subsequent call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.	This details how you deal with potential clarifications
11.6.1	As Framework agreements are "closed" for the term, consideration should be given to the impact of this, and ensure that the benefits and length of the Framework are justified.	Information contained about frameworks being closed to any new suppliers
11.7	Formal advice from the Procurement Lead must be sought as early as possible and in any case before any procurement activity takes place. The relevant Rules and Regulations should be followed according to the total potential value of the Framework (the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the framework agreement). It is the Officer's responsibility to monitor and track spend against the framework.	Council Officers must ensure formal advice is sought from the Procurement Lead regarding activity and spend through the framework
11.10	Signed Framework Agreements must be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.	In following the Transparency Regulations contracts must be stored on the Contracts Register
11.9	If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.	In case Council Officers must seek support and guidance from Legal Services for electronic signatures
11.10	Where the Council has set up a framework, details of the framework itself must be recorded on the Council's Contract Register (on ProContract). The estimated value of the framework must be recorded and all of the suppliers associated with the framework must be listed. Any other relevant detail to the mechanics of the framework must also be recorded so the suppliers can be searched and found in the Register and cross referenced with Council spend.	Clear directions for the Councils Officers to follow for capturing the required information on the Contracts Register.
11.10	Where the Council has set up a framework, only the framework is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the framework.	Again, important information for the Council Officers to follow.

11.11	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract.	Council Officers must ensure contracts are managed and monitored through the duration of the Contract
12.1	Officers will need to ensure they have the relevant budget approved and available prior to embarking upon a procurement process. This approval will be from the Budget Holder, in accordance with budget authorisation limits (as outlined in the Financial Regulations). Officers also need to speak to their Manager about any further approvals required outside of these Rules, as well as whether or not approval to procure is required.	At the beginning of this specific procurement procedure, Council Officers must seek relevant budget approval.
12.2	A Dynamic Purchasing System (DPS) is similar to an electronic framework agreement, with two exceptions, new suppliers can join at any time and it is to be run as a completely electronic process.	New information provided regarding the use of a Dynamic Purchasing System (DPS)
12.3	Dynamic Purchasing Systems are used exclusively by public sector organisations. They save time and money by being a quick and easy way to access goods, services and works through a compliant route.	New information provided regarding the use of a Dynamic Purchasing System (DPS)
12.4	There is no maximum term for a DPS; the period of validity of the DPS should be indicated in the call for competition.	New information provided regarding potential duration of a contract for the use of Dynamic Purchasing System (DPS)
12.5	All bidders that meet the selection criteria shall be admitted to the DPS, and the number of bidders accepted on to the DPS shall not be limited.	New information provided regarding the use of a Dynamic Purchasing System (DPS)
12.6	Formal advice from the Procurement Lead must be sought as early as possible and in any case before any procurement activity takes place. The relevant Rules and Regulations should be followed according to the total potential value of the DPS (the value to be taken into consideration shall be the maximum estimated value net of VAT of all the contracts envisaged for the total term of the DPS). It is the Officer's responsibility to monitor and track spend against the DPS.	It's imperative that that the Officer seeks support from the Procurement Lead.
12.7	As part of the procurement process (either the creation of the DPS or any subsequent call off), potential bidders can seek clarification on either the information published or the process itself. This must be conducted as per 7.7 and 7.8 of this document.	This details how you deal with potential clarifications

12.8	There is no obligation to notify DPS suppliers of a decision to award a contract under a DPS, to provide a de-brief or to run a standstill period.	New information provided regarding the award of a Dynamic Purchasing System (DPS)
12.9	There is a requirement to publish a contract award notice on Find a Tender Service for contracts awarded using a DPS. The contract award notice must be dispatched within 30 days of the contract award. Contract award notices can be grouped together and published on a quarterly basis within 30 days of the end of each quarter. The Officer must formally advise the Procurement Lead of the award details, so that they can publish the award notice.	New information provided regarding contract award notices through 'Find a Tender' for the use of Dynamic Purchasing Systems (DPS)
12.10	Contracting authorities are also required to publish information on Contracts Finder in respect of contracts awarded under a DPS for contracts with a total value of £20,000 or above. Publication on Contracts Finder is required within a "reasonable time" (no longer than 90 days following contract award).	New information provided regarding contract award notices through 'Contracts Finder' for the use of Dynamic Purchasing Systems (DPS)
12.11	Signed DPS Agreements that have a total value of £5,000 or more be added to the Council's Contract Register (on ProContract) to ensure compliance with Transparency Regulations. The Officer is responsible for ensuring the original signed contract is given to Legal Services for safekeeping.	New information provided regarding complying with the Transparency Regulation within using the Dynamic Purchasing System (DPS)
12.11	If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.	In case Council Officers are put in this situation they will require support and guidance from Legal Services.
12.12	The contract must be signed by a member of the Senior Team except where a contract requires Sealing as set out at 14.14.	Council Officer must follow the rules where a Contract requires a sealing
12.13	Where the Council has set up a DPS, details of the DPS itself must be recorded on the Council's Contract Register (on ProContract). The estimated value of the DPS must be recorded and all of the suppliers associated with the DPS. Any other relevant detail to the mechanics of the DPS must also be recorded so the suppliers can be searched and found in the register and cross referenced with council spend.	Important message regarding recording DPS's set up by the Council on the Contracts Register

12.13	Where the Council has set up a DPS, only the DPS is necessary to be recorded on the register. It is not necessary to record the individual call-offs from the DPS.	Information for Council Officers to take on board
12.14	It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract	Council Officers must ensure due diligence is followed with the Contract Award
13	Public Services (Social Value) Act 2012	This was missing from the original CPR
13.1	The Public Services (Social Value) Act requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits.	New information regarding the Public Services (Social Value) Act 2012
13.2	Before starting a procurement process, the Officer should think about whether the services they are going to buy, or the way they are going to buy them, could secure these benefits for their area or stakeholders.	New information regarding the Public Services (Social Value) Act 2012
13.4	The Officer must consult the Procurement Lead for advice on specifying requirements under Social Value, and how to evaluate tenders against these requirements.	New information regarding the Public Services (Social Value) Act 2012
14.1	These Rules are relevant to all Contracts with a total value above £10,000	The Conflict of Interest with regards to the rules apply to total value over £10k this was missing from the CPR's
14.2.2	For contracts with a total value of £50,000 or more, all Officers, Members and other stakeholders involved in procuring for the Council must sign a Declaration of Interest form at the start of the procurement process. This form is available on the procurement portal.	Important message about completing conflict of interest forms in relation to contracts with a total value of 50k
14.2.3	For contract with a total value of between £10,000 and £50,000, it is advisable that all Officers, Members and other stakeholders involved in procuring for the Council sign a Declaration of Interest form at the start of the procurement process. This form is available on the procurement portal.	Important message about completing a conflict-of-interest form in relation to contracts with a total value of between £10,000 and £50,000

14.4.1	<p>If it is identified that a bidder has made an error or omission that is “obvious”, the Officer can request the bidder to correct this, as long as:</p> <ul style="list-style-type: none"> <li>a) the Chief Officer has given written approval, and is in agreement that the error or omission was “obvious”;</li> <li>b) it has been determined that the bidder has gained no unfair advantage from correcting the error or omission; and</li> <li>c) any such corrections are recorded, along with the approval decision.</li> </ul>	Important information regarding the Council Officers managing Errors in Tenders and the process you have to follow
14.5.1.	Where a Tender/Quote has been received late (beyond the stated response deadline), the Officer must get written approval to either accept or reject the submission from the relevant Chief Officer before opening any of the responses. Late submissions must only be accepted in exceptional circumstances.	This includes the process for Council Officers receiving late submissions and how they’re managed.
14.5.2	<p>2.3.1. The Officer must record:</p> <ul style="list-style-type: none"> <li>a) the circumstances behind the late response;</li> <li>b) how late the response was received;</li> <li>c) if any advantage could have been gained by the bidder in submitting the late response (i.e. having longer to respond to the opportunity compared with other bidders); and</li> <li>d) the Chief Officer’s decision to accept or reject the late response (based on the above points).</li> </ul>	This was not included in the previous CPR’s, and it includes details of what the Council Officer must record.
14.6.1	<p>Irregular tenders are those that:</p> <ul style="list-style-type: none"> <li>a) do not comply with the terms of the tender documents (i.e. fail to supply key information); or</li> <li>b) make reservations (i.e. if the pricing submitted contains conditions, when these are explicitly prohibited within the tender documentation).</li> </ul>	This was not included in the previous CPR’s, and it is the process for Council Officers to follow when receiving irregular tenders.
14.6.1	Irregular tenders are those that:	Details of an irregular tenders isn’t included for Council Officers
14.6.2	If the Officer receives an irregular Tender, they shall immediately report this to the relevant Chief Officer.	Details of an irregular tenders is included for Council Officers

14.6.3	The Chief Officer may accept the irregular tender if it has been determined that the bidder has gained no unfair advantage from the irregularity.	Details of an irregular tender is included for Officers
14.6.4	Any acceptance or rejection of irregular tenders shall be recorded in writing.	Details of an irregular tender is included for Council Officers
14.8.1	The Council has specific obligations under the FOI Act 2000, regarding disclosure of information. Officers have an obligation to record and maintain accurate records relating to Contracts, as well as complying with FOI requests.	Freedom of Information was missing from original CPR's
14.8.2	Bidders should be asked to identify any information they supply that is confidential or commercially sensitive, and detail why they consider this the case. This justification should be considering when responding to FOI requests.	Freedom of Information was missing from original CPR's
14.8.3	Any queries relating to this should be directed to the Council's Data Protection Officer.	Freedom of Information was missing from original CPR's. Any queries should be directed to the Council's Data Protection Officer
14.9.1	The Council is committed to ensuring that modern slavery does not exist within its supply chains.	Modern Slavery was missing from the current CPR
14.9.2	All procurements with a total value of £50,000 or more are required to include the Standard Selection Question regarding Modern Slavery Act compliance.	Officers must ensure they comply with the Modern Slavery Act
14.9.3	Where procurement is considered high risk in terms of modern slavery, for example transport and waste related procurements, additional award questions should be considered with advice from the Procurement Lead.	Officer must speak to their Procurement Lead regarding any high-risk procurement that may
14.9.4.	Where a supplier is required to comply with the Modern Slavery Act, i.e. their turnover is above £36 million, that compliance should form part of the contract management (as per 15.1).	New information provided Officer must ensure Due diligence is undertaken
14.9.5	A Modern Slavery Helpline is available on Tel: 08000 121 700 or online. The Helpline provides information and advice about modern slavery, a 24 hour telephone reporting line and an online reporting function through the website.	Provides detail of the Modern Slavery helpline

14.10	Safeguarding Provisions in Contracts and Grant Arrangements	New information for Councils Officers to refer to
14.10.1	Any service engaged by the Council should be provided on the basis of agreed terms or a contract. Safeguarding compliance should be included in all arrangements. All services commissioned by the Council must operate within the requirements of the Council's Safeguarding Policy and meet the relevant legislative standards. Where appropriate, procuring officers will need to ensure that contractors demonstrate that they meet these requirements.	New information provided for Council Officers that is clear and concise
14.10.2	It is expected that the lead officer on any commissioning project be responsible for ensuring that any contract includes proper provision for the safeguarding of children, young people, and adults with care and support needs; this also includes making reasonable requests for evidence from suppliers that the requirements stated in the Safeguarding Policy (where applicable) are in place or ready to be implemented. Where there is any confusion about the need for the inclusion of safeguarding in a contract arrangement clarification and/or advice should be sought from the Safeguarding Lead.	New information provided for Council Officers that is clear and concise
14.11.1 & 14.11.2	<p>It is the Officer's responsibility to carry out due diligence on successful suppliers, both at Contract Award, and for the duration of the Contract. This will involve requesting, obtaining and maintaining records (and asking for appropriate evidence) of relevant due diligence, annual inspections and any future expiration/renewals. This may include (but not be limited to):</p> <ol style="list-style-type: none"> <li>a) Insurance certificates (new certificates to be requested upon expiry of the individual insurance policy);</li> <li>b) Details as required by the selection/suitability criteria asked as part of the procurement process (annually, upon anniversary of Contract start date): <ol style="list-style-type: none"> <li>i. Supplier policies <ul style="list-style-type: none"> <li>• Quality Management</li> <li>• Environmental</li> <li>• Equality</li> <li>• Health and Safety</li> <li>• Data protection/GDPR</li> </ul> </li> <li>ii. Licences/certificates/registrations</li> <li>iii. Business continuity plans</li> <li>iv. Required training (and updates for staff (Council and supplier)</li> </ol> </li> </ol>	Council Officer must ensure due diligence is applied both during award and through the duration of the contract in relation to various documentation required to deliver the contract.

	<p>v. Staff certifications/qualifications (Council and staff); and c) A financial appraisal, which may include a financial credit check and / or a review of submitted financial information (as per the standard selection questionnaire). Finance can provide reports from the Council's credit check facility, and where required Finance can undertake a financial ratio analysis. Further information is available within the Procurement Toolkit on the procurement portal.</p> <p>Before the contract commences (and regularly throughout the duration of a contract), contract managers should request and inspect key health and safety records to provide assurance that controls are operating effectively. The frequency of requests and types of records to be reviewed should be agreed and outlined as part of the procurement process. Records should include but not be limited to:</p> <ul style="list-style-type: none"> <li>• Up to date Health and safety policies</li> <li>• Risk Assessments</li> <li>• COSHH assessment</li> <li>• Induction and training records</li> <li>• Fire safety logbooks (if applicable)</li> <li>• PAT certificates</li> <li>• Health and Safety inspections (as well as any actions arisen, and how they are being followed up on, reviewed and regularly monitored) and whether these are carried out by the Council or the supplier</li> <li>• Accident reporting</li> </ul>	
14.11.3	Throughout the duration of the contract, Council Officer's must keep a record (and ask for appropriate evidence) of relevant due diligence as well as any future expiration/renewals.	Records must be kept up to date in relation to evidence demonstrating due diligence
14.14.1.1	The total value is over £50,000;	Provides details of when a contract should be sealed
14.14.1.2	The Council wishes to enforce the contract for up to six years following its expiry (e.g. for land or construction works); or	Provides details of when a contract should be sealed

14.14.1.3	The price paid or received under the contract is a nominal price and does not reflect the value of the goods, services or works; or	Provides details of when a contract should be sealed
14.14.1.4	There is any doubt about the authority of the person signing for the other contracting party; or	Provides details of when a contract should be sealed
14.14.1.5	A Bond is established on behalf of the Supplier(s) or their guarantors; or	Provides details of when a contract should be sealed
14.14.1.6	Required by the Parties to the agreement; or	Provides details of when a contract should be sealed
14.14.1.7	Where the Monitoring Officer deems it appropriate.	Provides details of when a contract should be sealed
14.14.2	Where contracts are completed by each side adding their common seal, the affixing must be attested by or on behalf of the Council in accordance with the Constitution. The Monitoring Officer is responsible for the process of sealing a contract.	Provides details of when a contract should be sealed
14.14.3	If a Council Officer or Supplier needs to sign contract documentation electronically, please speak to Legal Services for advice and guidance on the use of electronic signatures.	Provides details of when a contract should be sealed
14.15.1	If Council Officers wish to reserve below threshold Services procurements as per the guidance set out in this section, they must: a) Consult with Procurement Lead; b) Comply with all other Rules within this document; c) Provide rationale for reserving a contract; and d) Receive written approval from the relevant Director for this approach.	Important that Council Officerd follow this important guidance
14.15.2	Council Officers may consider the following options for the procurement of below threshold Services contracts (applying either both or just one option): a) Reserve the procurement by supplier location - this means being able to run a competition and specify that only suppliers located in a geographical area can bid. This could be by county to tackle economic inequality and support local recruitment, training, skills and investment. Where a county reservation is to be applied, only a single	Council Officers need to consider the rules they need to follow regarding any Reserve Contracts

	<p>county may be reserved. Supplier location should be described by reference to where the supplier is based or established and has substantive business operations and not by location of corporate ownership.</p> <p>b) Reserve the procurement for Small and Medium sized Enterprises (SMEs) and Voluntary, Community and Social Enterprises (VCSEs) - this means being able to run a competition and specify that only SMEs and VCSEs can bid.</p>	
14.15.3 & 14.15.4	<p><b>Definitions:</b></p> <p>a) Small and Medium sized Enterprise (SME): Any business with fewer than 250 employees and either an annual turnover below £45m or a total balance sheet less than £40m.</p> <p>b) Voluntary, Community and Social Enterprises (VCSEs): Any organisation (incorporated or not) working with a social purpose. This ranges from small community based groups / schemes, through to larger registered charities and social enterprises, public service mutuals and cooperatives that operate locally, regionally and nationally. This term is often interchangeable with the terms 'third sector' or 'civil society' organisations.</p> <p>c) Supplier Location: Where the supplier is based or established in a particular location and has substantive business operations in that location. In this context, this means having a registered office, factory or other permanent base in that location from which meaningful business operations have been conducted for at least 12 months. For example, if the reservation is for the UK or a county such as Dorset (non-metropolitan county), this should not preclude foreign suppliers from participating as long as they are based or established and have substantive business operations in the UK in the first example or in Dorset in the second example.</p> <p>When considering either of the above, Council Officers would need to:</p> <p>a) Make reservation decisions on a case by case basis, and record justifications for the decision to reserve a contract;</p> <p>b) Make the reservation clear in the procurement documentation in terms of any intention by including the Provides details of when a contract should be sealed standardised definitions of SME / VCSE and supplier location;</p>	Definition of the different types of organisations

	<p>c) Eliminate bidders that do not meet the stated criteria, following on from written approval being received from the relevant Director; and</p> <p>d) Ensure value for money can still be met, and an open competitive process is followed.</p>	
15.2.1	If any variation (independently or cumulative) means that the total value of a contract would exceed a threshold set out in these Rules, Officers must seek advice from Procurement Lead.	Council Officers must seek advice from the Procurement Lead if variation exceeds the threshold
15.3.3	If any extension (independently or cumulative) means that the total value of a contract would exceed a threshold set out in these Rules, Officers must seek advice from the Procurement Lead.	Important message for Council Officer to follow if the total value of the contract exceed threshold
Candidate	An individual or organisation that has sought an invitation or has been invited to take part in a restricted procedure, a competitive procedure with negotiation, a negotiated procedure without prior publication, a competitive dialogue or an innovation partnership.	New definition included in the new CPR's
Conflict of interest	The concept of conflicts of interest shall at least cover any situation where relevant staff members have, directly or indirectly, a financial, economic or other personal interest which might be perceived to compromise their impartiality and independence in the context of the procurement procedure.	New definition included in the new CPR's
Constitution	The Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to make sure these are efficient, transparent and accountable to local people.	New definition included in the new CPR's
Contract	A legal document that states and explains a formal agreement between two different parties.	New definition included in the new CPR's
Contract Register	A register that stores details of the Council's Contracts, including duration and expiry dates. All Contracts with a total value of £5,000 and above must be entered onto the register.	New definition included in the new CPR's
Evaluation	Any subjective evaluation (such as quality) must be carried out independently by a minimum of two evaluators (preferably three), and then moderated by an independent moderator to reach a final agreed score. The evaluators should be fully briefed on the evaluation process. The 'Conflict of Interest Declaration – Confidentiality Agreement' on the procurement portal gives further guidance on	New definition included in the new CPR's

	evaluation principles and best practice. Procurement Lead can act as the independent moderator but cannot undertake any scoring.	
Exception	An act or instance of waiving a right to obey these Rules.	Missing from the previous CPR definitions
Find a Tender	An e-notification service which has replaced OJEU, used to post and view public sector procurement notices.	New Termination regarding the Public Contracts Regulations
<u>EU Thresholds</u>	<p>From 1<sup>st</sup> January 2022 onwards, the EU Thresholds are:</p> <p><b>Goods and services:</b> £177, 897</p> <p><b>Works:</b> £4,447,447</p> <p><b>Concessions:</b> £4,447,447</p> <p><b>Light Touch Regime:</b> £552,950</p>	The New thresholder were introduced to be enforced by 1 <sup>st</sup> January 2022

This page is intentionally left blank



**SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL**



## Constitution Committee

16 May 2022

**Report of:** Councillor Adam Stokes

Deputy Leader of the Council

## Review of Financial Regulations

This report sets out the proposed changes to the Council's Financial Regulations which form part of the Council's Constitution.

### Report Author

Alison Hall-Wright (Assistant Director of Finance)



01476 406208



Alison.hall-wright@southkesteven.gov.uk

Corporate Priority:	Decision type:	Wards:
<b>High Performing Council</b>	<b>Administrative</b>	<b>All Wards</b>

<b>Reviewed by:</b>	Claire Morgan, Senior Accountant	5 May 2022
<b>Approved by:</b>	Richard Wyles, Chief Finance Officer	6 May 2022
<b>Signed off by:</b>	Councillor Adam Stokes, Deputy Leader of the Council	6 May 2022

### Recommendation (s) to the decision maker (s)

- 1. Constitution Committee is asked to recommend to Council the updated Financial Regulations shown at Appendix A.**

## **1 The Background to the Report**

The Council's Financial Regulations set out the overarching 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 have been reviewed to ensure they are in line with best practice and the latest CIPFA guidance.

## **2 Financial Regulations Review**

The Financial Regulations were last reviewed and updated in line with the CIPFA Good Practice Guide during 2019/20 and were approved by Full Council on 30 January 2020. Since this review it has become necessary to review and recommend a number of minor amendments in order to ensure that the Financial Regulations support the Council operationally. The current Financial Regulations have been updated and are attached at Appendix A and the proposed changes are detailed in section 3 of this report.

## **3 Proposed Changes**

The proposed changes to the Financial Regulations are outlined below;

- Minor wording amendments to Section 33 – External Funding including grant applications
- Amendments to the revenue and capital budget virement (transfer of budget) limits for officers and members of the Council
- Amendments to the in-year budget framework amendments for both Cabinet and Council
- Introduction of in-year financial thresholds to access discretionary reserves for one-off spend with the exception of the Local Priorities Reserve and Regeneration Reserve
- Amendment to the table detailing authorised limits for officers
- Amendments to the write-off limits

A mapping document has been attached at Appendix B which details the proposed changes.

## **4 Consultation and Feedback Received, Including Overview and Scrutiny**

- 4.1 Governance and Audit Committee considered the draft Financial Regulations at their meeting on 20 April 2022 and recommended (without amendment) that they be considered by the Constitution Committee.

## **5 Available Options Considered**

- 5.1 None considered.

## **6 Preferred Option**

- 6.1 This is set out in the report.

## **7 Reasons for the Recommendation (s)**

- 7.1 It is recommended good practice to review the Regulations on a timely basis in order to ensure they provide the appropriate financial framework for the Council to operate within.

## **8 Next Steps – Communication and Implementation of the Decision**

- 8.1 The Financial Regulations are an integral element of the Council’s Constitution. The updated Financial Regulations are being considered by Constitution Committee before they are presented to Council on 26 May 2022.

## **9 Financial Implications**

- 9.1 These are considered as an integral part of the review of the Financial Regulations.

**Financial Implications reviewed by: Richard Wyles, Chief Finance Officer**

## **10 Legal and Governance Implications**

- 10.1 The Governance and Audit Committee is required to consider any proposed revisions to the Council’s Financial Procedure Rules and Contract Procedure Rules. This report facilitates this requirement in respect of Financial Procedure Rules.
- 10.2 The Financial Regulations, if recommended for submission by the Constitution Committee for consideration by Council, will be incorporated into the Constitution as part of its comprehensive review.

**Legal Implications reviewed by: Graham Watts, Assistant Director of Governance (Deputy Monitoring Officer)**

## **11 Equality and Safeguarding Implications**

- 11.1 N/a

## **12 Risk and Mitigation**

- 12.1 N/a

## **13 Community Safety Implications**

- 13.1 N/a

## **14 Other Implications (where significant)**

- 14.1 N/a

## **15 How will the recommendations support South Kesteven District Council’s declaration of a ‘climate emergency’?**

- 15.1 N/a

## **16 Background Papers**

- 16.1 N/a

## **17 Appendices**

- 17.1 Appendix A – Revised Financial Regulations
- 17.2 Appendix B – Financial Regulations Mapping Document

- 17.3 Current Financial Regulations  
<http://moderngov.southkesteven.gov.uk/documents/s23381/Financial%20Procedure%20Rules.pdf>



# Financial Regulations

April 2022

DRAFT



SOUTH  
KESTEVEN  
DISTRICT  
COUNCIL

Financial Regulations

## Table of Contents

1. Introduction .....	2
2. The Medium Term Financial Strategy.....	2
3. Revenue Budget Plan .....	3
4. Capital Programme .....	4
5. Budget Guidance and the Budget Timetable.....	6
6. Budget Control and Monitoring.....	7
7. Scheme of Virement.....	9
8. Accounting Policies .....	11
9. Accounting Records and Returns.....	12
10. Annual Statement of Accounts .....	14
11. Maintenance of Reserves.....	15
12. Internal Controls.....	16
13. Risk Management .....	18
14. Insurance .....	21
15. Treasury Management .....	22
16. Internal Audit.....	25
17. External Audit.....	26
18. Preventing and detecting Fraud and Corruption (including Bribery).....	27
19. Anti-Money Laundering .....	29
20. Gifts, Hospitality and Register of Interests.....	31
21. Asset Management .....	32
22. Intellectual Property .....	35
23. Staffing.....	36
24. Financial Systems .....	37
25. Income Collection and Management .....	38
26. Ordering and Payment of Works, Goods and Services .....	42
27. Grant Payments .....	45
28. Purchase Cards .....	46
29. Payments to Employees and Members .....	47
30. Taxation .....	49
31. Document Retention .....	51
32. Partnerships (including Joint Ventures and Companies) .....	52
33. External Funding including Grant applications.....	54
34. Work for External Parties .....	56
Appendix A – Authorised Limits.....	58
Appendix B - Recommended Periods For The Retention Of Records .....	62

## 1. Introduction

- 1.1 Financial Regulations provide the internal framework for managing the Council's financial affairs. They apply to every Member and officer of South Kesteven District Council and anyone in the public or private sector who acts on behalf of the Authority.
- 1.2 Throughout these Financial Regulations, the title Chief Finance Officer will be used to denote the designated Section 151 Officer of the Council. The responsibilities of the Chief Finance Officer are documented within each of the specific areas listed.
- 1.3 The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes necessary to the Council for approval.
- 1.4 It is the responsibility of Directors to ensure that all officers in their directorates are aware of the existence and content of the Council's Financial Regulations, as well as other internal regulatory documents, and also confirm that they comply with them.
- 1.5 It is the responsibility of the Chief Finance Officer to provide advice and guidance to reinforce the Financial Regulations that Members, officers and others acting on behalf of the Council are required to follow.

## 2. The Medium Term Financial Strategy

### What is the Medium Term Financial Strategy?

- 2.1 The **Medium Term Financial Strategy** is the plan which sets out the Authority's commitment to provide services that meet the needs of people locally and that represent good value for money. It sets out what we aim to do over the next three years, having listened to the views of our communities and considers funds available to the Council.

### Why is the Medium Term Financial Strategy important?

- 2.2 The Strategy helps us to meet our statutory responsibilities in respect of financial planning and is critical to ensuring that the Council has a clear understanding of the level of available resources, the costs of delivering existing services and plans for new services. Financial planning facilitates strategic choices around service delivery, efficiency and service reductions.
- 2.3 The Strategy is approved by Full Council and includes information on the spending plans of all services and the intended level of Council tax.

### Key Controls

- 2.4 The strategy is reviewed every three years in line with the processes for reviewing and updating the Council's Corporate Strategy but updated annually to make sure it reflects:

- the most recent estimate of resources available
- the budget requirement – which may change as a result of updating estimated resources
- updated operational plans for each Council Service

- any changes in the national Local Government Funding

### 3. Revenue Budget Plan

#### What is the Budget Plan?

- 3.1 The Council's budget plan is a three-year income and expenditure plan. It details all known expected expenditure and income from the delivering of Council Services and compares these requirements to the funding available. The budget plan focuses on the priorities set by Council.

#### Why is the Budget Plan important?

- 3.2 The budget plan helps us to meet our statutory responsibilities for financial planning. All local authorities are required to prepare a budget annually which is then approved by Full Council. This is supported by a statement by the Chief Finance Officer regarding the robustness of the budget as proposed and the adequacy of general balances and reserves.
- 3.3 The plan also helps us ensure, at a more detailed level, that resources are allocated towards the delivery of council priorities. The process of developing the budget helps us to assess and balance any gaps between what we estimate it will cost us to deliver plans, and the money available to do this.

#### Key Controls

- 3.4 Budget planning begins in July of the preceding financial year and the following year's budget proposals together with an indicative two-year budget is presented to Members in February/March at full Council.
- 3.5 Detailed estimates of costs and income are developed for each service.
- 3.6 There may be additional in-year changes agreed in line with the approved levels, if so, both these costs and any ongoing costs will need to be built into the ongoing budget plan.

#### Responsibilities of Chief Finance Officer

- To develop the budget plan on an annual basis and to ensure a balanced budget is approved.
- To present the budget to Members for approval in February/March prior to the start of each financial year.
- To undertake the budget plan in accordance with accounting/statutory guidance.
- To ensure the impact of any additions to budgets in-year are understood and the impact of this change on the overall financial position of the Council
- To ensure any additions to budgets in-year are built into future budget planning processes.

### **Responsibilities of Directors**

- To provide information that may be requested in relation to the budget plan.
- To support the budget setting process.
- To produce an accurate business case to form part of any request for additional in-year increases to budgets (see Appendix A)

## **4. Capital Programme**

### **What is the Capital Programme?**

- 4.1 The Capital Programme is the budgeted plan of the capital schemes that the Authority is undertaking or planning to undertake. The development of the Capital Programme is in accordance with the Council's Capital Strategy. Each year, Directors consider Capital schemes to be included in the Capital Programme, which are then scrutinised through an approval process before being included in the Capital Programme for consideration by Cabinet and ultimately Council.

### **Why is the Capital Programme important?**

- 4.2 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. It is important that the 'Whole Life Cost' of any capital schemes are considered before approval is given, to ensure adequate funding has been identified. This is an integral part of the budget setting process.
- 4.3 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.
- 4.4 Having a structured approach which reviews all capital scheme proposals helps ensure that the Capital Programme links into the Council's priorities.
- 4.5 The Capital Programme ensures the Authority takes a structured approach to the management of its assets.
- 4.6 There may be additional in-year changes agreed in line with the agreed levels, if so, both these costs and any ongoing costs will need to be built into the ongoing budget plan.

### **Key Controls**

- 4.7 All schemes included in the Capital Programme require a business case completing which would cover:
- project overview;
  - objectives and critical success factors;
  - capital expenditure;

- associated revenue expenditure to be completed;
  - the source of funding to be identified.
- These are subject to a rigorous review process, culminating in approval by full Council.
  - Where appropriate, schedules of individual projects, within large schemes approved by the full Council must be submitted to Cabinet for approval.
  - The capital schemes are developed from asset management plans or invest to save schemes.
  - Accountability for each proposal is accepted by a named manager.

#### 4.8 **Responsibilities of Chief Finance Officer**

- To develop the capital programme on an annual basis for approval.
- To present the budget to Council for approval prior to the start of each financial year.
- To identify the funding sources of the proposed Capital Programme ensuring any revenue consequences are taken account of in the overall budget setting process.
- To determine the definition of 'capital' having regard to government regulations and accounting requirements.
- To ensure the impact of any additions to budgets in-year are understood and the impact of this change on the overall financial position of the Council.
- To ensure any additions to budgets in-year are built into future budget planning processes.

#### 4.9 **Responsibilities of Directors**

- Where a capital scheme is required to be included in or added to the Capital Programme, the responsible officer shall submit a capital business case for the scheme, including possible alternatives with up-to-date estimates of capital and revenue costs;
- To comply with guidance concerning capital schemes and controls.
- To ensure that adequate records are maintained for all capital contracts.
- Ensure that no capital expenditure is incurred on any scheme unless:
  - it is within the approved budget for that scheme
  - the nature of the spend is in line with the original purpose approved for the scheme

- government approval to the scheme has, where appropriate, been obtained
  - the source of funding has been identified
  - any revenue consequential expenditure which arises from the proposed capital expenditure has been accepted as a commitment by the Council
- Ensuring that the appropriate approval is obtained to incur additional capital expenditure which is to be financed wholly by additional grants or other income (see Appendix A).
  - To produce an accurate business case to form part of any request for additional in-year increases to budgets (see Appendix A)

## 5. Budget Guidance and the Budget Timetable

### What is Budget Guidance and the Budget Timetable?

- 5.1 Budget Guidance sets out what we need to do in order to prepare the Council's annual budget. The Budget Timetable outlines the timeframe against activities which will take place, including the key deadlines we ask all involved in budget preparation to follow.

### Why is Budget Guidance and the Budget Timetable important?

- 5.2 The guidance ensures that budgets are produced accurately and consistently in line with financial procedures. It also ensures that the level of detail and what is included meets legal requirements. The timetable ensures that the budgets are produced and approved by Council within the dates set out in legislation.

### Key Controls

- 5.3 The budget guidance and timetable are produced on an annual basis
- 5.4 The guidance and timetable will focus on the following:
- The full year effect of previous year's decisions
  - Consequences of the approved capital programme
  - Adjustments in relation to specific 'one year only' allocations and other time expired funding
  - Other specific Council decisions
  - Budget assumptions on:
    - Levels of pay and the price inflation which is to be applied
    - Council Tax increase
    - Funding allocations from Central Government
    - Superannuation contribution rates
    - Levels of Discretionary fees and charges
    - Levels of Levies
- Ensuring approval of budget by full Council

- Ensuring Council Tax is set by statutory dates
- The format complies with legal requirements and reflects the accountabilities of Service Delivery

#### 5.5 **Responsibilities of Chief Finance Officer**

- To determine the format of the budget that is approved by the Council
- To set a balanced budget in order to meet the Section 151 Officers responsibilities
- To produce and distribute the guidance and timetable on an annual basis to officers and Members
- To present the timetable to Members for approval prior to the start of the process
- To ensure returns are made to central government in line with their requirements

#### 5.6 **Responsibilities of Directors**

- To comply with the accounting guidelines and timetable provided.

## 6. **Budget Control and Monitoring**

### **What is Budget Monitoring and Control?**

- 6.1 A budget is the planned income and expenditure for a service area or cost centre. Budgetary control and monitoring is the process used by budget managers, supported by officers within Financial Services, to review revenue and capital expenditure against their budgets, and project estimated spending to the end of the financial year. Accountability is achieved through formal reporting of the budget position, carried out at agreed times, and in line with the risk ratings referred to as RAG (red, amber, green) ratings.

### **Why is Budget Monitoring and Control important?**

- 6.2 Budget monitoring 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 the process of monitoring financial activity against the financial plan and, where necessary, taking the appropriate action in a timely manner to address any movement from the plan.
- 6.3 Budget monitoring and control also provides the mechanism that calls to account managers responsible for defined elements of the budget. It is therefore key that effective processes for monitoring of budgets are in place and adhered to.
- 6.4 To assist with the above it is essential that quality information is available to budget managers to ensure that sound financial decisions can be made, especially where spending may differ from planned expenditure.

6.5 To ensure that the Authority in total does not overspend, each Service is required to manage its own expenditure within the budget allocated to it.

6.6 **Key Controls**

- Budget managers should be responsible only for income and expenditure that they can influence.
- There is a nominated budget manager for each cost centre heading.
- Budget managers accept accountability for their budgets, the level of service to be delivered and understand their financial responsibilities.
- Budget managers follow an approved certification process for all expenditure.
- Income and expenditure are properly recorded and accounted for.
- Performance levels of service are monitored in conjunction with the budget and necessary action is taken to align service outputs and budget.

6.7 **Responsibilities of Chief Finance Officer**

- 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 Director has available timely information on income and expenditure which is sufficiently detailed to enable managers to fulfil their budgetary responsibilities
- To ensure compliance with the agreed virement procedures
- To prepare and submit reports on the Authority's projected income and expenditure compared to budget on a regular basis and to make recommendations to Members regarding changes to the budget
- To submit reports to Overview & Scrutiny, in consultation with the relevant Director, where a Director is unable to balance expenditure and resources within existing approved budgets under their control

6.8 **Responsibilities of Directors**

- To maintain budgetary control within their service, as outlined above and to ensure that all income and expenditure is properly recorded and accounted for
- To ensure that an accountable budget manager is identified for each item of income and expenditure under the control of the Director, 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

- To ensure that budget spending remains within the service's overall budget, and that individual budget heads are not overspent. This may require appropriate corrective action to be taken where significant variations from the approved budget are forecast
- To ensure that a monitoring process is in place to review performance levels of service in conjunction with the budget and that it is operating effectively
- To report and obtain prior approval by Council and Cabinet, where appropriate, before incurring expenditure on schemes of whatever amounts, that:
  - create financial commitments in future years above the budget level (except where if this is wholly offset by external funding or charges for work carried out on behalf of third parties – see sections 33 and 34 respectively)
  - change existing policies, initiate new policies or cease existing policies or
  - materially extend or reduce the Authority's services
- Emergency expenditure – no proposal should be submitted to Cabinet/Council involving expenditure during a financial year where no provision has been made in the current budget. Only in the case of either urgency or on a matter in which the Council is under a legal obligation, any Council director in consultation with the Cabinet Member for Finance, the Chief Executive and Chief Finance Officer, shall have power to agree that the expenditure will be met subject to the action being reported to Cabinet (see Appendix A for limits)
- To ensure compliance with the scheme of virement
- To consult with the relevant Director where it appears that a budget proposal, including a virement proposal, may impact materially on another service area

## **7. Scheme of Virement**

### **What is a Virement?**

- 7.1 A virement is the transfer of budget from one specific area to another. This can either be a transfer within revenue budgets or capital budgets but not between revenue and capital. There are different limits depending on the reason for the change and whether or not it is a one-off transfer or a permanent one. The limits are set out in Appendix A.

### **Why is the Scheme of Virement important?**

- 7.2 The scheme of Virement is intended to enable the Directors and their officers to manage budgets with a degree of flexibility within the overall framework determined by the Council, and therefore optimise the use of resources.

### **7.3 The key controls are:**

- **Revenue and Capital**

- Virement into a receiving budget may only occur provided that the donating cost centre will not subsequently become overspent;
- Virements which involve a key decision should be subject to a Cabinet Report and the Council's decision-making process in line with the Council's Constitution; and
- A record of all virements must be kept.

- **Revenue**

- Permanent virements can only be processed if the donating cost centre has permanent budget provision to fund the requested virement;
- Only in year virements can be agreed for Employee budgets unless the virement is linked to a structural change that has received the necessary approvals; and
- All virements must be authorised in line with the delegated authority approvals.
- Additions to any revenue or capital budget can be made in accordance with the limits set out in Appendix A.

- **Capital**

- Provisional budgets into subsequent projects require Cabinet approval;
- Transfers between schemes require Cabinet approval;
- Capital Schemes must have a matching expenditure and financing budget; and
- Transfers that are contained within a scheme must be authorised in line with the delegated authority approvals.

7.4 **Responsibilities of Chief Finance Officer**

- To prepare virement procedures for approval by the Council;
- To monitor compliance with the agreed virement procedures; and
- To report approved virements that change an overall budget.

7.5 **Responsibilities of Directors**

- To ensure compliance with the agreed virement procedures;
- No virement relating to a specific financial year should be made after 31 March in that year;

- To ensure that virements are authorised as per the delegated powers approved by Council;
- A virement that is likely to impact on the level of service activity of another Director, should be progressed only after agreement with the relevant Director; and
- To ensure that requests for virements are not split into a series of smaller virements to circumvent approval requirements.

## 8. Accounting Policies

### What are Accounting Policies?

- 8.1 Accounting policies are the accounting principles, rules and procedures selected and consistently followed by the Council, which dictate what and how financial information is accounted for and presented in the Council's Annual Statement of Accounts. The key accounting policy guidelines adopted by the Council are the *CIPFA Code of Practice on Local Authority Accounting*. These interpret International Financial Reporting Standards for local authorities.

### Why are Accounting Policies important?

- 8.2 They are important as they provide:
- a clear and open view of the financial affairs of the Council;
  - a level of disclosure which is considered to be relevant, informative and appropriate;
  - a consistent standard in the process of preparation and presentation of financial statements; and
  - an ability to compare between local authorities as required.

### 8.3 Key Controls

- Systems of internal control are in place to ensure that financial transactions are lawful.
- Accounting policies are reviewed annually to ensure they comply with the latest developments in the CIPFA code of practice.
- Suitable accounting policies are selected and applied consistently and approved by Governance and Audit Committee.
- Proper accounting records are maintained and to the required standard.
- Financial statements are prepared which present fairly the financial position of the Authority and its expenditure and income.
- Inspection of accounts by External Audit.

#### 8.4 **Responsibilities of Chief Finance Officer**

- To select suitable accounting policies and to ensure that they are applied consistently.
- To ensure the accounting policies are reviewed annually and are set out in the Annual Statement of Accounts, which is prepared in line with legislative requirements.
- To present any amendments to the accounting policies to the Governance and Audit Committee.

#### 8.5 **Responsibilities of Directors**

- To comply with the accounting policies and guidelines approved by the Chief Finance Officer and to supply the Chief Finance Officer with the information when required.
- To keep proper accounting records that are in line with accounting policies.

## 9. **Accounting Records and Returns**

### **What are Accounting Records and Returns?**

9.1 All of the Council's transactions, commitments, contracts and other essential accounting information must be recorded fully, accurately and on a timely basis. Accounting Records must also provide an audit trail leading from the source of income or expenditure through to the accounting statements.

9.2 The Council's corporate financial information system is considered the prime source of financial information. The Revenue and Capital accounts, balance sheet, and other financial records, are held within the General Ledger, and its sub-systems including Debtors, Creditors and e-Procurement. Together they form the Council's financial records, from which, along with the Council Tax and Business Rates Systems and the Asset register, the financial statements and financial returns are produced.

### **Why are Accounting Records and Returns important?**

9.3 During the financial year, the Council completes financial returns relating to the Council either as a whole or for certain individual services. These can be for a variety of reasons and to different audiences, including Central Government Departments, Members, Auditors and the general public. The information is mainly required by legislation. Maintaining proper accounting records is one of the ways in which the Authority discharges its responsibilities for stewardship of public resources. The Authority also has to comply with legislation and statute, International Financial Reporting Standards, grant conditions and discharge its duties in line with Her Majesty's Revenue and Customs (HMRC) requirements.

9.4 The Authority has a statutory responsibility to prepare its annual accounts to present fairly the results of its operations during the year. These are subject to external audit who provide 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. The auditors do this by examining the accounting records of the Authority.

9.5 **Key Controls**

- The key controls for accounting records and returns are:
  - all Directors, Budget Managers and Finance officers operate within the required accounting standards and timetables as outlined within the guidance issued;
  - all the Authority's transactions, material commitments and contracts and other essential accounting information are recorded completely, accurately and on a timely basis;
  - procedures are in place to enable accounting records to be reconstructed in the event of systems failure;
  - reconciliation procedures are carried out to ensure transactions are correctly recorded; and
  - prime documents are retained in accordance with legislative and other requirements.

9.6 **Responsibilities of Chief Finance Officer**

- To issue instructions considered necessary for carrying out the daily financial work of the Council, after consulting with Directors where needed.
- To determine the accounting procedures and records for the Authority.
- To arrange for the compilation of all accounts and accounting records under their direction.
- To ensure the proper retention of financial documents in accordance with the requirements set out in the Authority's document retention schedule.
- To stipulate the date by which all financial records for any financial year shall be completed.
- To prepare and publish the audited Statement of 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 the statutory deadline.
- To make proper arrangements for the audit of the Authority's Annual Statement of Accounts in accordance with the Accounts and Audit Regulations.

- To administer the Authority's arrangements for under and overspendings to be carried forward to the following financial year,
- To comply with the following principles when allocating accounting duties:
  - separating the duties of providing information about sums due to or from the Authority and calculating, checking and recording these sums from the duty of collecting or disbursing them; and
  - officers with the duty of examining or checking the accounts of cash transactions must not themselves be engaged in these transactions.
- To ensure that all claims for funds, including grants, are made accurately and by the due date.

#### 9.7 **Responsibilities of Directors**

- To comply with the principles outlined above when allocating accounting duties.
- To ensure that all claims for funds including grants are made by the due date.
- To maintain adequate records to provide a management trail leading from the source of income/expenditure through to the accounting statements.
- To be responsible for all receipts and claims in relation to salary expenses and disbursements made by staff in their service.
- To supply information required to enable the Statement of Accounts to be completed in accordance with the guidelines issued.

## 10. **Annual Statement of Accounts**

### **What is the Annual Statement of Accounts?**

- 10.1 The Annual Statement of Accounts is a financial summary of the state of the financial affairs of the Council over the course of a year. The Council is required to follow the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, supported by International Financial Reporting Standards (IFRS). The Accounts and Audit Regulations, as amended from time to time, set out the statutory dates for approval and publication of the Annual Statement of Accounts. The Statement of Accounts is made available for inspection by interested parties and is subject to external audit to ensure that it presents a fair view of the financial position of the Council.

### **Why is the Annual Statement of Accounts important?**

- 10.2 By legislation, the Council is required to produce an Annual Statement of Accounts each financial year (1 April – 31 March). The Statement of Accounts shows not only a snapshot

of the financial position as at the 31 March each year, but also provides the reader with an understanding on how the Council has performed financially during that financial year. After audit, the Statement of Accounts give assurance to key stakeholders that the financial affairs of the Council have been conducted properly and appropriately, and that they give what is considered to be a 'true and fair' view of the financial position of the Authority.

### 10.3 **Key Controls**

The key controls for the Annual Statement of Accounts are:

- The Authority is required to make arrangements for the proper administration of its financial affairs and to ensure that one of its officers has the responsibility for the administration of these affairs. In this Authority, that officer is the Chief Finance Officer;
- To manage the Authorities affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- 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 Great Britain: "the code of Practice" (as amended from time to time)*.

### 10.4 **Responsibilities of Chief Finance Officer**

- To comply with the Code of Practice.
- To comply with statute and regulations.
- To draw up the timetable and guidance notes for financial accounts preparation and to advise staff and external auditors accordingly.
- To sign and date the Statement of Accounts, stating that it presents fairly the financial position of the Authority at the accounting date and its income and expenditure for the financial year ended 31 March.
- To ensure that the Statement of Accounts are approved by the Governance and Audit Committee.

### 10.5 **Responsibilities of Directors**

- To comply with accounting guidance provided by the Chief Finance Officer and to supply the Chief Finance Officer with the information when required.
- To keep proper accounting records that are up to date.

## 11. **Maintenance of Reserves**

### **What are Reserves?**

- 11.1 Reserves are amounts set aside to fund specific or unexpected expenditure. There are different reserves held by the Authority, analysed into 'usable reserves' (i.e. those that can

be applied to fund expenditure or reduce local taxation) and unusable reserves for accounting purposes.

- 11.2 Useable reserves are analysed into those that are earmarked for specific purposes and those that are held to ensure that the Council can continue to provide services if an unexpected event occurs. It is the responsibility of Council to review the allocation and levels of reserves and may put in place specific delegations with respect to their use during any financial year in accordance with the specific policy of the reserve.

### **Why is Maintenance of Reserves important?**

- 11.3 By legislation (the Local Government Act 2003), the Chief Finance Officer must report to Council, immediately prior to setting the Budget and Council Tax, on the robustness of the budget as proposed and the adequacy of general balances and earmarked reserves. The Council then agrees on the level of reserves it will maintain before it then decides on the level of Council Tax. Reserves are maintained as a matter of prudence. They enable the Council to provide for unexpected events and thereby protect it from overspending, should such events occur. Reserves for specific purposes are also maintained, such as the insurance reserve, regeneration reserve and local priorities reserve.

### **11.4 Key Controls**

- Reserves are reviewed on an annual basis to ensure compliance with the Local Government Act 2003.
- To maintain reserves in accordance with the CIPFA Code of Practice on Local Authority Accounting in the United Kingdom, supported by International Financial Reporting Standards (IFRS).
- For each reserve clearly establish its purpose, usage and amount to be set aside.
- Authorisation to establish and add to a reserve is by the relevant Committee or Council following advice from the Cabinet Member for Finance and the Chief Finance Officer.

### **11.5 Responsibilities of Chief Finance Officer**

- To advise the Council on prudent levels of balances for the Authority.
- To establish guidelines on the setting up of reserves and then to advise Directors accordingly.

### **11.6 Responsibilities of Directors**

- To comply with guidance provided by the Chief Finance Officer and ensure that reserves are used only for the purpose for which they were intended.

## **12. Internal Controls**

### **What are Internal Controls?**

12.1 Internal Controls include the policies, processes, tasks, behaviours and other areas of the Council that taken together:

- enable it to react to significant risks in achieving its objectives. This includes protecting anything which is considered valuable to the organisation from misuse or loss and fraud;
- help ensure the quality of internal and external reporting. This requires the maintenance of proper records, and processes which create a flow of timely, relevant and reliable information from both within and outside the organisation; and
- help ensure relevant laws and regulations are followed, as well as internal policies with respect to the conducting of the business.

#### **Why are Internal Controls important?**

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

12.3 The Authority has statutory obligations, including those set out within the Local Government Act 1972 and Accounts and Audit (England) Regulations 2011, which require internal controls to be established to ensure compliance with these obligations.

12.4 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.

12.5 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; and
- risk management.

#### **12.6 Key Controls**

- Key controls should be reviewed on a regular basis and the Authority should make a formal statement annually to the effect that the Authority has a sound system of internal control which facilitates the effective exercise of the Authority's functions and which includes arrangements for the management of risk.
- Managerial control systems, including defining policies, setting objectives and plans, monitoring financial and other performance, and taking appropriate anticipatory and remedial action. The key objective of these systems is to promote ownership of the control environment by defining roles and responsibilities.
- Financial and operational control systems and procedures, which include physical safeguards for assets, segregation of duties, authorisation and approval procedures and information systems.

- An effective Internal Audit function that is properly resourced. It should operate in accordance with the principles contained in the Auditing Practices Board's auditing guidelines 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.

#### 12.7 **Responsibilities of Chief Finance Officer**

- To direct and assist the Authority to put into 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. This will ensure compliance with Section 151 of the Local Government Act 1972 which requires every local authority to make arrangements for the proper administration of its financial affairs and to ensure that one of the officers (the Chief Finance Officer) has responsibility for the administration of those affairs.

#### 12.8 **Responsibilities of Directors**

- To establish and maintain controls as well as processes which ensure such controls are being adhered to and evaluated, in order to be confident in the proper use of resources, achievement of objectives and management of risks on an ongoing basis.
- To review existing controls in the light of changes affecting the Authority and to establish and implement new ones in line with guidance from the Chief Finance Officer.
- Ensure that officers have a clear understanding of the consequences of a lack of control or not adhering to agreed processes.

### **13. Risk Management**

#### **What is Risk Management?**

- 13.1 All organisations, whether private or public sector, face risks to people, property and the day-to-day running of the business. Risk is the chance of something going wrong, and the possibility of loss, damage, injury or failure to achieve objectives caused by an unwanted action or event, which we have no control over. Risk can impact upon all officers within the Council as well as the Council's partners and citizens.
- 13.2 Risk Management is a planned and methodical way of identifying areas of risk, evaluating them and taking a look at how the risks can be controlled. Risk Management looks at the measures which an organisation already has in place to deal with identified risks, the adequacy of these measures and the actions required to control these risks effectively.

- 13.3 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.

**Why is Risk Management important?**

- 13.4 The challenges that the Authority faces, and the rate of change, puts the organisation under increasing pressure to improve the quality of management at all levels. This means that the Authority needs to make sure that risk management processes are structured, as well as being instinctive and intuitive. If management are to meet these challenges, high quality risk management needs to be at the core of decision making at all levels of the Council.
- 13.5 There is an ongoing requirement from the Accounts and Audit Regulations to produce an Annual Governance Statement (AGS) which is attached to the Annual Accounts, setting out the processes in place for managing the most significant risks to the achievement of objectives. Risk management processes are an integral part of the AGS.
- 13.6 All local authorities are increasingly being held to account by external assessors for the way in which risk management has been implemented. The Council needs to continue to demonstrate that all Services have a structured approach, which is embedded into planning and reporting cycles and decision-making processes at all levels.

13.7 **Key Controls**

The key controls for Risk Management are:

- The Council has adopted a Risk Management Strategy which has been approved by Governance and Audit Committee and is regularly updated.
- The Council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and assigns named individuals to lead on the actions identified to mitigate each risk.
- Procedures are in place to identify, assess, prevent or contain material known risks, and these procedures are operating effectively throughout the Authority.
- The Governance and Audit Committee receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being identified and effectively managed.
- A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls.
- Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives.
- A Risk Register IT system is provided to assist Directors to manage their risks.

- A Risk Management Group meets regularly to co-ordinate and supports all aspects of strategic business risk management.
- Committee reports to support strategic policy decisions must include reference to the risks associated along with the decisions being taken, in both a positive and negative scenario (i.e. the risks of taking the decision as recommended and the risks of doing nothing).
- Documents for all major projects include a risk assessment which must be completed.
- The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained concerning the management of those risks.

13.8 **Responsibilities of Chief Finance Officer**

- To prepare and promote the Authority's Risk Management Strategy.
- To develop risk management controls in conjunction with other Directors.
- To report to Members of the Governance and Audit Committee on the effectiveness of the risk management process and any changes to it in the Annual Governance Statement.

13.9 **Responsibilities of Directors**

- To take responsibility for risk management, having regard to advice from the Chief Finance Officer and other specialist officers.
- The Risk Management Strategy requires Directors to:
  - Identify corporate and operational risks;
  - Maintain a risk register;
  - Assess the risks for likelihood and impact;
  - Prioritise risks;
  - Identify mitigating controls; and
  - Allocate responsibility for the mitigating controls.
- To ensure that there are regular reviews of all risks within Services.
- To appoint a Service based Risk Champion to report to and work with the Risk Management Group in promoting, co-ordinating and developing risk management initiatives.
- Ensure risk management is a key area of consideration when preparing annual Service Plans.
- Complete an annual Risk Management Self-Assessment and report the outcome to the Risk Management Group.

## 14. Insurance

### What is Insurance?

- 14.1 Insurance for the Council is, in many ways, similar to the insurance that private individuals take out to protect items that they either:
- cannot replace easily; or
  - are required to insure as a condition of purchase, i.e. a house purchased via a mortgage etc.
- 14.2 The decision to insure an item or not is based on:
- its replacement cost;
  - the likelihood of it needing to be replaced; and
  - the cost of the insurance.
- 14.3 The Council has to go through a similar process for the various risks it faces, e.g. the security of physical assets or the work carried out by its officers. Where the Council believes it is not able to manage risks internally, it will take out insurance in the same way a private individual would, e.g. the Council insures its buildings, its officers (employee liability), and cover for members of the public when using Council facilities (public liability) etc.

### Why is Insurance important?

- 14.4 Insurance is a major area within risk management, enabling risks from unfortunate events to have less of a negative effect due to taking out cover policies. However, insurance is not without a cost, and risk prevention is always preferable to paying higher premiums, where this is possible.

### 14.5 Key Controls

- Adequate insurance is in place to cover assets of the organisation.
- Policies are reviewed on an annual basis to ensure that they continue to provide adequate cover for the Authority in line with current risk management strategies and to confirm exclusion clauses are being complied with.
- Procedures are in place to investigate claims within required timescales.
- Acceptable levels of risk are determined and insured against where appropriate.
- The Council has an Insurance Strategy which provides details of the Council's insurance cover and procedures for claims.

### 14.6 Responsibilities of Chief Finance Officer

- To ensure that the Authority has the appropriate insurance cover in place.

- To include all appropriate officers of the Authority in a suitable fidelity guarantee insurance.
- To arrange all insurance cover through external insurance and internal funding and negotiate any claims in consultation with appropriate Directors and outside claims agencies.
- To inform Directors of any conditions affecting insured risks.
- To review all insurances in consultation with appropriate Directors either annually or when necessary.
- To administer any self-funding arrangement set up to run alongside or replace conventional externally provided insurance.

#### 14.7 **Responsibilities of Directors**

- To ensure that all officers are aware of their responsibilities with regard to the use of insurance policies.
- To identify and report to the Chief Finance Officer and Monitoring Officer any amendments which could be required for the insurance of the Authority.
- To notify the Chief Finance Officer and Monitoring Officer immediately of any loss, liability or damage that may lead to a claim against the Authority, together with any information or explanation required by the Chief Finance Officer or the Authority's insurers.
- To ensure that any conditions affecting insured risks are met and that their actions do not invalidate any claims.
- To notify the Chief Finance Officer and Monitoring Officer promptly of all new risks, properties or vehicles that require insurance and any alterations affecting existing insurances.
- To inform the Chief Finance Officer and the Monitoring Officer of the terms of any indemnity that the Authority is requested to give.
- Do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim.

## 15. **Treasury Management**

### **What is Treasury Management?**

15.1 CIPFA defines Treasury Management as:

*“The management of the Council’s investments, borrowing and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”*

- 15.2 The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the Treasury Management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council’s low risk appetite, providing adequate liquidity initially before considering investment return.
- 15.3 The second main function of the Treasury Management service is the funding of the Council’s capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. Any debt previously drawn may be restructured to meet Council risk or cost objectives.
- 15.4 On an annual basis the Council approves a Treasury Management Strategy that is compiled to meet CIPFA requirements with respect to Treasury Management. During the course of each financial year, Governance and Audit Committee receive monitoring and outturn reports in order to ensure compliance with the Strategy.

#### **Why is Treasury Management Important?**

- 15.5 It is critical that financial resources are properly managed in a way that balances risk with return whilst ensuring the Council can meet its financial obligations. The scale of borrowing, the inter-relationship between capital and revenue cash management and the fact that the Council may have surplus funds for investment require the development of sound borrowing and investment strategies that encompass all of these activities in a safe, efficient and consistent manner.
- 15.6 The main objectives of the Treasury Management function are:
- To effectively manage and control risks;
  - To ensure that sufficient cash is available to enable the Council to discharge its financial obligations when they become due;
  - To undertake all borrowing at or below budgeted rates on the basis of best value, and also seek opportunities to reduce the cost of servicing existing debt;
  - To plan cash flows and minimise the cost of any temporary borrowing (which is required for day to day cash flow reasons);
  - To invest prudently having regard to the security and liquidity of Investments and the predictability of returns; and
  - To aim to achieve the optimum return on investments commensurate with the proper levels of security and liquidity.

#### **15.7 Key Controls**

The Council has adopted the recommendations of CIPFA’s Code of Practice on Treasury Management and the Prudential Code. The Council has developed its own Treasury

Management Strategy in accordance with these documents. The Strategy outlines the Council's:

- Key Treasury Management Principles;
- Scheme of Delegation and Reporting Requirements;
- Key Prudential Indicators – covering financing requirements, borrowing limits, debt maturity / type, cost of borrowing and investment income; and
- Policy for both borrowing and investments.

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

- To prepare the Council's Treasury Management Strategy Statement in accordance with the CIPFA Code of Practice on Treasury Management in Local Authorities for approval by Cabinet and Full Council at the Annual Budget Meeting.
- To arrange for all Council borrowing and investment in such a manner as to comply with this Strategy.
- To borrow on behalf of the Council under powers contained in the Local Government Act 1972 and subsequent legislation in accordance with the agreed proactive borrowing strategy.
- To arrange for the investment or utilisation for the Council's own purposes of surplus funds in accordance with agreed creditworthiness criteria.
- To ensure that all investments of money are made in the name of the Council or in the name of nominees approved by Cabinet.
- To ensure that all securities that are the property of the Council or its nominees and the title deeds of all property in the Council's ownership are held in the custody of the appropriate officer.
- To undertake all borrowings in the name of the Council.
- To act as the Council's registrar of stocks, bonds and mortgages, and to maintain records of all borrowing of money by the Council.
- To ensure that there is adequate monitoring of Treasury Management activities, involving both Members and senior Finance officers.
- To report to Governance and Audit Committee at regular intervals on Treasury Management activities

#### 15.9 **Responsibilities of Directors**

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

- To inform officers with responsibility for Treasury Management of significant movements and changes in the Council's anticipated cash flows.

## 16. Internal Audit

### What is Internal Audit?

- 16.1 Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 16.2 The Council is required to have an Internal Audit function in order to comply with section 6 of the Accounts and Audit (England) Regulations 2011 which requires the Authority to "undertake an adequate and effective internal audit of its accounting records and of its system of internal control in accordance with the proper practices in relation to internal control". Section 151 of the Local Government Act 1972 also requires every local authority to make arrangements for the proper administration of its financial affairs.
- 16.3 All Internal Audit reviews are reported to and discussed by the Overview and Scrutiny Committee and the Governance and Audit Committee, the latter being the Committee charged with overall responsibility for governance within the Council.

### Why is Internal Audit important?

- 16.4 Internal Audit is a key element of the overall governance structure of the Authority which is designed to ensure that appropriate controls are in place throughout the organisation. Through the provision of a high quality independent appraisal of all of the activities of the Council, Internal Audit aims to improve operational efficiency, risk management and internal control systems, and also provide reliable and effective support to management to ensure that their objectives are achieved.

### 16.5 Key Controls

The key controls for Internal Audit are:

- that it is independent in its planning and operation and determines its own priorities in providing unrestricted coverage of the Council's operations;
- The Head of Internal Audit has direct access to the Chief Executive and all levels of management and Members; and
- The internal auditors comply with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom.

### 16.6 Responsibilities of Chief Finance Officer

To ensure that internal auditors have the authority to:

- Access premises when required;
  - Access all assets, records, documents, correspondence and control systems;
  - Require and receive information and explanation considered necessary concerning any matter under consideration;
  - Require any employee of the Authority to account for cash, stores and any other Authority asset under the employee's control;
  - Access records belonging to third parties, such as contractors, when required;
  - Directly access the Chief Executive.
- To approve the strategic and annual audit plans prepared by the Head of Internal Audit, which take account of the current risk profile of all activities undertaken by the Authority.
- To ensure that effective procedures are in place to investigate promptly any fraud or irregularity.
- When initial evidence suggests that a criminal offence has been committed, to consult with the appropriate Director about involving the Police, in accordance with the Council's Anti-Fraud and Corruption Policy.

#### 16.7 Responsibilities of Directors

- To ensure that Internal Audit are provided with any documents, information and explanations they require during the course of their work;
- To consider and respond to recommendations in audit reports within one month;
- Any agreed actions arising from audit recommendations are carried out as per the agreed timetable;
- New systems for maintaining financial records, records of assets, or changes to such systems, are discussed with, and agreed by, the Head of Internal Audit before implementation; and
- To notify the Head of Internal Audit immediately of any suspected fraud, theft, irregularity, improper use or misappropriation of the Authority's property or resources.

## 17. External Audit

### What is External Audit?

- 17.1 External Audit provides an important contribution to the stewardship of public resources and corporate governance of public services by:
- Giving an independent opinion on whether the public bodies financial statements fairly present its financial position and its expenditure and income for the year in question; and

- Reviewing and reporting on aspects of the arrangements which are put in place by public bodies to ensure the proper conduct of their financial affairs, and for securing economy, efficiency and effectiveness in its use of resources.

17.2 The basic duties of the external auditor are defined by the Audit Commission Act 1998 and the Local Government Act 1999.

### **Why is External Audit important?**

17.3 Independent external audit is a key process of evaluation of governance processes which seek to protect the management of public money. It is, however, the responsibility of management to put arrangements in place to ensure proper governance, and to regularly review the adequacy and effectiveness of these arrangements.

17.4 The Authority's financial statements 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 all relevant legal requirements.

### **17.5 Key Controls**

- External auditors must follow the Code of Audit Practice for Local Government when carrying out their audits.
- External auditors are regulated by the Financial Reporting Council.

### **17.6 Responsibilities of Chief Finance Officer**

- 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.
- To ensure there is effective liaison between external and Internal Audit.
- To work with the external auditor and advise the Council, Cabinet and Officers on their responsibilities in relation to external audit.

### **17.7 Responsibilities of Directors**

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

## **18. Preventing and detecting Fraud and Corruption (including Bribery)**

### **What is Fraud and Corruption?**

18.1 The Fraud Act 2006 defines three separate ways of committing fraud:

- Fraud by false representation;
- Fraud by failing to disclose information; and
- Fraud by abuse of position.

18.2 “Dishonesty” and “intent to make gain or cause loss” are core themes involved in the committing of fraud.

18.3 Corruption is ‘the offering, giving, soliciting, or acceptance of an inducement or reward, or showing any favour or disfavour which may influence any person to act improperly.’ It is an offence under the Prevention of Corruption Acts 1889 – 1916, as amended, and Section 117(3) of the Local Government Act 1972.

18.4 Bribery can be described as giving someone a financial inducement or other form of advantage to encourage that person to perform their functions or activities improperly, or to reward that person for having already done so, in order to gain a personal, commercial, regulatory or contractual advantage.

#### **Why is Fraud and Corruption important?**

18.5 There is an expectation and requirement that all Members, officers, consultants, contractors, and service users be fair, honest and act with the utmost of integrity at all times.

18.6 The Council is resolute that the culture and tone of the Authority is one of honesty and opposition to fraud and corruption.

18.7 There is an expectation and requirement that all individuals, businesses and organisations dealing in any way with the Council will act with high standards of probity, openness and integrity and that Council officers or its agent(s) at all levels will lead by example in these matters.

18.8 The Council's Codes of Conduct for Members and officers set out an approach to work that is honest, fair, accountable and, as far as possible, transparent. Members and officers must act in line with the codes at all times.

#### **18.9 Key Controls**

- The Authority should maintain an effective Anti-Fraud and Corruption Strategy and a culture of zero tolerance to fraud and corruption.
- All Members and officers should act with integrity and lead by example.
- Officers should raise any concerns that they may have about fraud and corruption preferably with their line manager or another senior manager identified in the Anti-Fraud and Corruption Strategy.
- Any information reported by officers will be dealt with fairly and confidentially.
- Senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the Authority or who are corrupt.

- High standards of conduct should be promoted amongst Members.
- The maintenance of a register of interests to record gifts and hospitality received in accordance with the officers' and Members' Codes of Conduct.
- Whistle blowing procedures should be in place and operating effectively.
- All relevant legislation should be complied with including the Fraud Act 2006, the Bribery Act 2010 and the Public Interest Disclosure Act 1998.
- The Authority should maintain an adequate internal control framework.

**18.10 Responsibilities of Chief Finance Officer**

- To develop and maintain an effective Anti-Fraud and Corruption Strategy.
- To develop and maintain an effective Anti-Bribery Policy
- To maintain adequate and effective internal control arrangements
- To ensure that all suspected irregularities are reported to the Head of Internal Audit without delay.

**18.11 Responsibilities of Directors**

- To ensure that all suspected irregularities are reported to the Head of Internal Audit without delay.
- To instigate the Authority's disciplinary procedures where the outcome of an investigation into suspected fraud or corruption indicates that improper behaviour has taken place.
- To ensure that where financial impropriety is discovered, the Chief Finance Officer is informed.
- To take advice and support from relevant parts of the Council e.g. Internal Audit, HR before referring matters to the Police for cases where it is apparent that a criminal offence may have been committed.

## **19. Anti-Money Laundering**

### **What is Money Laundering?**

**19.1 Money laundering means:**

- Concealing disguising, converting or transferring criminal property or removing it from the UK;

- Entering into, or becoming concerned in, an arrangement which you know or suspect facilitates the acquisition, retention, use or control of criminal property by or on behalf of another person;
- Acquiring, using or possessing criminal property; and
- Becoming concerned in an arrangement facilitating concealment, removal from the jurisdiction, transfer of nominees, or any other retention or control of terrorist property.

19.2 These are the primary money laundering offences and prohibited acts under the legislation.

#### **Why is Money Laundering important?**

19.3 Although the risk to the Council of contravening the legislation is low, it is extremely important that all officers and Members are familiar with the legislation and their legal responsibility as serious criminal sanctions may be imposed for breaches of the legislation. Potentially any officers could be caught by the money laundering provisions if they suspect money laundering and either become involved with it in some way or do nothing about it.

19.4 The Anti-Money Laundering Policy applies to all employees of the Council and aims to maintain the high standards of conduct which currently exist within the Council by preventing criminal activity through money laundering. The Policy sets out the procedures which must be followed to enable the Council to comply with its legal obligations.

#### **19.5 Key Controls**

- A Money Laundering Reporting Officer (MLRO) is appointed to receive disclosures from officers concerning money laundering activity.
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain client identification procedures in certain circumstances.
- Maintain record keeping procedures.

#### **19.6 Responsibilities of Chief Finance Officer**

- Appoint a Money Laundering Reporting Officer (MLRO) who is to receive disclosures from officers concerning money laundering activity.
- Implement a procedure to enable the reporting of suspicions of money laundering.
- Maintain client identification procedures in certain circumstances.
- Maintain record-keeping procedures.

#### **19.7 Responsibilities of Directors**

- Be aware of their roles and responsibilities in respect of Anti Money Laundering.
- Ensure they and officers within their service are aware of who is the MLRO.

## 20. Gifts, Hospitality and Register of Interests

### What are gifts, hospitality and a register of Interests?

20.1 During day to day work, there may be times when officers or Members are offered gifts and/or hospitality; for example, a meal, a 'thank you' gift or a trip to a sporting event.

20.2 A register of interests means that arrangements are in place for officers and Members to declare any interests that they have which may be seen to cause a conflict during the course of their work, or when making decisions in Committee meetings. For example:

- an officer or Member being related to a Director of a company that the Council trades or deals with; or
- a committee where a Member serves is being asked to make a decision that would affect the Member, either personally or in relation to a project he/she is supporting.

### Why are the receipt of Gifts and Hospitality and the Register of Interests important?

20.3 In order to safeguard officers and Members in terms of independence (and therefore that of the Council) it is necessary for clear rules to be in place and adhered to.

In relation to Register of Interest, there is the possibility of criminal liability in relation to corrupt practises by officers and Members. Under the Public Bodies Corrupt Practises Act 1889 it is an offence:

*'corruptly to solicit or receive for himself or for any other person any gift, loan, fee, reward or advantage whatever as an inducement to, or reward for, or otherwise an account of any member, officer or servant of a public body doing or forbearing to do anything in respect of any matter or transaction whatsoever in which the said public body is concerned.'*

### 20.4 Key Controls

- Small items such as chocolates, pens and diaries need not be declared unless they are offered on a regular basis by the same person or organisation.
- Items over £25 should be recorded within 28 days of the receipt of the gift or hospitality. Written notification must be provided to the Monitoring Officer of the existence and nature of that gift or hospitality.
- Officers must refuse all gifts or hospitality in excess of £100 (if received on one occasion) or in excess of a total of £100 (if received on more than one occasion in same financial year from the same individual or organisation) except with approval from the Chief Executive.
- Officers must declare any interests they have in external organisations and/or partnerships who could potentially influence and are in business with the Authority.

### 20.5 Responsibilities of Monitoring Officer

- To produce and maintain a register of gifts and hospitality received by officers.

### 20.6 Responsibilities of Directors

South Kesteven District Council  
Financial Regulations  
April 2022

- To comply with the guidance as provided by the Monitoring Officer.
- To maintain an up to date list of gifts, hospitality and interests within their Service in adherence with the principles in the guidance.

## 21. Asset Management

### What is Asset Management?

21.1 Asset Management is the system of monitoring and maintaining items of value to the Authority. Asset management is a systematic process of operating, maintaining, upgrading and disposing of assets cost-effectively.

21.2 Asset Management relates to land and buildings; furniture, vehicles and equipment; and stocks and stores. It covers their acquisition, disposal, security and recording.

### Why is Asset Management important?

21.3 The Authority owns a diverse portfolio of assets in the form of property, vehicles, equipment, furniture and other items. It is important that these assets are safeguarded and used efficiently and effectively in supporting the delivery of services. The development of a comprehensive and effective approach to asset management is key to ensuring that:

- utilisation of assets is maximised
- maintenance expenditure is prioritised
- major capital investment requirements are identified and quantified; and
- surplus property and other assets are identified for rationalisation and/or disposal.

### 21.4 Key Controls

- A corporate asset management strategy is in place.
- Asset Registers / inventories are in place to record all assets.
- Accounting policies are in place to control asset classification, capitalisation, depreciation and disposal.
- Assets are disposed of at the most appropriate time and only when it is in the best interests of the Council and that the best price is obtained.
- Managers are responsible for the care, protection and security of assets within their control.

### 21.5 Responsibilities of Chief Finance Officer

- To maintain an Asset Register which contains details of all assets owned by the Council which exceed the capital de-minimis levels.
- To ensure appropriate accounting entries are made for the addition and depreciation of assets into the Authority's records.

- 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*.

**21.6 Responsibilities of Directors**

- To maintain proper security, care and protection of all building, equipment, vehicles, stocks, stores and cash under their control.
- To inform the Chief Finance Officer and Head of Internal Audit of any missing equipment or significant shortfalls in stock as soon as possible after discovery, together with explanations for the loss, if known.

**Land & Buildings**

**21.7 Key Controls**

- Land & Buildings are acquired in accordance with the Property Asset Management Strategy.
- Land & Buildings are purchased only following appropriate authorisation and approval.
- A terrier of all land and buildings owned is maintained, with assets recorded when they are acquired and this record is updated as changes occur.

**21.8 Responsibilities of Chief Finance Officer**

- Ensuring that all acquisitions are properly recorded within accounting records.

**21.9 Responsibilities of Directors**

- The Director for Growth shall maintain a terrier of all land and buildings owned by the Council. The terrier will record the holding Service, purpose for which each property/site is held, location and purchase details.
- The Director for Growth shall arrange for condition surveys to be carried out
- Arranging for the valuation of land and buildings as necessary to meet the accounting requirements of the Chief Finance Officer.
- To ensure the proper security of all land & buildings under their control.

**Furniture, Equipment & Vehicles**

**21.10 Responsibilities of Directors**

- The Head of Street Scene will maintain appropriate records of the vehicles held by the Council.
- The Head of ICT will maintain appropriate records of the ICT equipment held by the Council.

- Directors will maintain appropriate records of all other furniture and equipment held or deployed by their service. This will include maintaining an up to date inventory of all individual items with a purchase value in excess of **£100**.
- Directors should arrange for the accuracy of the inventory to be verified periodically at a frequency appropriate to the risk of loss of the individual items recorded.
- To ensure that Council property (owned or hired) should not be removed other than in the ordinary course of the Council's business except in accordance with directions issued by the Director concerned.
- To ensure the safe custody of furniture, equipment and vehicles.

### **Stocks & Stores**

#### **21.11 Responsibilities of Directors**

- To make arrangements for the maintenance of reasonable levels of stocks and stores in their control.
- To ensure that appropriate up to date records of the level and value of stocks and stores held are maintained.
- To ensure periodical physical examinations of stocks and stores held, against the stock records, should be carried out at a frequency based on the value and vulnerability of the stock.
- To ensure proper security is maintained at all times for all stocks & stores.

### **Disposal of Assets**

#### **21.12 Responsibilities of Chief Finance Officer**

- 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.

#### **21.13 Responsibilities of Directors**

- Once land and buildings have been declared surplus to requirements, to arrange for the disposal of these assets in accordance with the Council's strategy.
- Details of any vehicles which are deemed surplus to requirements shall be advised to Fleet Services. Where the vehicle is considered no longer suitable for use within the Council, the Fleet Services Manager shall arrange for its suitable disposal.
- Details of any ICT equipment which a Director deems surplus to requirements shall be advised to the Head of ICT. ICT equipment can only be disposed of by ICT Services, and if it is considered redundant in accordance with the ICT Strategy.
- The Head of ICT is responsible for ensuring that the standards, policies and guidelines of decommissioning of ICT equipment are well defined and

communicated to all staff within the Council. The Data Protection Act must be a key consideration in the decommissioning of IT equipment.

- To identify assets which are deemed surplus to requirements.
- To secure the best price obtainable for the sale of assets.
- To record all disposals of assets.
- To ensure that income received for the disposal of an asset is properly banked and coded.
- To consult with the Chief Finance Officer to ensure all financial implications, including accounting for Value Added Tax, are fully considered.

## **22. Intellectual Property**

### **What is Intellectual Property?**

22.1 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.

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

### **Why is Intellectual Property important?**

22.3 Like any assets, Intellectual Property is an essential factor in ensuring business continuity within the Council, and the effective delivery of Council services. It is critical, therefore that the Council puts in place adequate controls over the ownership, storage and use of all Intellectual Property.

22.4 The Council holds a large quantity of information for a variety of purposes. As such, it is essential that an overall strategy is in place and implemented for the management of such information to ensure consistency, value for money, accuracy and that any relevant laws are followed.

### **22.5 Key Controls**

- 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.
- The Data Protection Act must be considered in relation to the creation, storage and distribution of Intellectual Property.

**22.6 Responsibilities of Chief Finance Officer**

- To develop and disseminate good practice through the Authority's intellectual property procedures.

**22.7 Responsibilities of Directors**

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

## **23. Staffing**

### **What are Staff?**

23.1 Council staff are an essential part of providing the highest level of quality services. Staff are the greatest single item on which the Council spends its budget. It therefore carries not only one of the highest degrees of risk but is also one of the most complex areas. It is therefore crucial that procedures and guidance issued by Human Resources are followed precisely. Examples of areas where procedures exist are:

- recruitment;
- pay and rewards;
- attendance management;
- health and safety;
- discipline; and
- grievances

### **Why are Staff important?**

23.2 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 within the resources available.

### **23.3 Key Controls**

- The key controls for staffing are:
- procedures are in place for forecasting staffing requirements and cost
- controls are implemented to ensure that officer's time is used efficiently and to the benefit of the Authority
- checks are undertaken prior to employing new officers to ensure that they are appropriately qualified, experienced and trustworthy
- managers communicate all changes to staff (including starters and leavers) to Human Resources and Payroll as soon as possible to ensure financial and operational records are kept up to date

### **23.4 Responsibilities of Chief Finance Officer**

- To ensure that budget provision exists for all existing and new officers.

### 23.5 **Responsibilities of Directors**

- To produce an annual staffing budget.
- To ensure that the staffing budget is an accurate forecast of staffing levels and is equated to an appropriate revenue budget provision.
- To monitor officers' activity to ensure adequate control over such costs as sickness, overtime, training and temporary officers.
- 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.
- The Head of Human Resources to act as an advisor to Directors on areas such as national insurance and pension contributions, as appropriate.
- To ensure that the Head of Human Resources and the Chief Finance Officer are informed if the staffing budget is likely to be materially over or under spent.
- To ensure that all changes to staff (including starters and leavers) are communicated to Human Resources and Payroll as soon as possible to ensure financial and operational records are kept up to date and that appropriate check lists are completed.

## 24. **Financial Systems**

### **What are Financial Systems?**

24.1 Financial systems are all computerised systems that directly or via interface are responsible for generating payments to or from the Council.

### **Why are Financial Systems Important?**

24.2 Financial Systems are where details of all transactions with the Council are held. It is important that these are accurate so that the underlying transactions are correct.

### 24.3 **Key Controls**

- Access control and security of the Council's Financial systems should be maintained.
- Systems should be reconciled periodically to ensure consistency of data stored within.

### 24.4 **Responsibilities of Chief Finance Officer**

- Approve any new financial systems and interfaces to be introduced.

- Ensure appropriate testing of new financial systems and testing of interfaces between systems prior to their introduction.
- Ensure appropriate reconciliation between all financial systems.
- For all corporate financial systems:
  - Ensure all input is genuine, complete, accurate, timely and not previously processed
  - All processing is carried out in a complete, accurate and timely manner
  - Output from all systems is complete, accurate and timely in an agreed format
  - Effective contingency and disaster recovery arrangements exist for all computerised systems, to include; back-up / rollback and processes to deal to an interruption to the system
  - Ensure systems are documented and staff trained in the operation of them
  - Correct any errors identified during the interfacing or reconciliation processes

#### 24.5 Responsibilities of Directors

- Seek approval of the Chief Financial Officer before changing any existing system or introducing any new financial system.
- For all business area specific financial systems:
  - Ensure all input is genuine, complete, accurate, timely and not previously processed
  - All processing is carried out in a complete, accurate and timely manner
  - Output from all systems is complete, accurate and timely in an agreed format
  - Effective contingency and disaster recovery arrangements exist for all computerised systems, to include; back-up / rollback and processes to deal to an interruption to the system
  - Ensure systems are documented and staff trained in the operation of them
  - Correct any errors identified during the interfacing or reconciliation processes

## 25. Income Collection and Management

### What is Income Collection and Management?

25.1 Some Services have the facility to charge for the services provided as part of their day to day operations. All charges must ensure compliance with the relevant statutes governing local authority activities. Charges may be levied in advance when a service is booked, at the point of sale or by the raising of a debtors invoice after the service has been delivered. Examples of these include:

- **Charges at point of sale:**
  - entrance fees;
  - cultural activities
  - car parking; and
  - professional fees e.g. Local Search fees and Planning Permission Fees.

- **Debtor Invoices**
  - sundry debtors.

25.2 The Council also collects income arising from local taxation, namely Council Tax and Business Rates, and income from parking penalty notices.

### **Why is Income Collection and Management important?**

25.3 The collection of income is a significant part of the Council's business and is a vulnerable asset. Effective revenue collection systems are necessary to ensure that all revenue due is identified, collected, receipted and banked securely and effectively. It is preferable to obtain revenue in advance of supplying goods or services as this improves the Authority's cash flow and also avoids the time and cost of administering debts. In order to ensure that cash flow is maximised and costs are minimised, it is essential that income is collected in as complete and timely manner as is possible. This would normally be at the point of sale or service.

### **25.4 Key Controls**

- All debtor invoices must be raised via the Corporate Debtors system. Invoices raised need to be appropriate and legitimate and are calculated correctly.
- All income due to the Authority is legitimate, recorded and charged correctly, in accordance with an approved charging policy, which is regularly reviewed.
- Value Added Tax (VAT) at the appropriate rate must be levied and collected in line with VAT guidance.
- All income is collected from the correct person, at the right time, using the correct procedures and the appropriate stationery. Appropriate supporting documentation is retained in the event of debt recovery procedures being invoked.
- All money received by an employee on behalf of the Authority is banked in a timely manner, to the Authority's bank and is properly recorded in the Council's financial system.
- There is adequate separation in duties in identifying amounts due and the responsibility for collection, as far as is practicable.
- All debtor invoices must be raised via the Corporate Debtors system or other authorised debtor systems.
- Effective action is taken to pursue non-payment within defined timescales.
- Formal approval in accordance with the authorised limits (see Appendix A), for debt write-off is obtained.
- Appropriate accounting adjustments are made following write-off action.

- All appropriate income documents are retained and stored for the defined period in accordance with the document retention schedule.
- Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

**25.5 Responsibilities of Chief Finance Officer**

- To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection and accounting for VAT.
- To approve the design of controlled stationery and arrangements for its control and security.
- To agree the write-off of bad debts in accordance with the Scheme of Delegation. To develop and maintain a Corporate Debt Management Policy.
- To develop and maintain up to date procedural guidance for the collection of income due to the Council.
- To ensure that appropriate accounting adjustments are made following write off action.
- To establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.
- To seek approval from Council on an annual basis for discretionary fees which will apply to transactions in the following financial year.

**25.6 Responsibilities of Monitoring Officer**

- To provide guidance on the retention and storage of income related documents.
- To provide guidance to ensure compliance with the relevant statutes governing local authority activities.
- To arrange appropriate insurance for all Council safes, as necessary.

**25.7 Responsibilities of Directors**

- To establish a charging policy for the supply of goods or services, including the appropriate charging of VAT, and to review it annually, in line with corporate policies.
- To determine where charges can be made at point of sale and where there is a need to raise a debtors invoice.
- To establish adequate procedures and controls to ensure that all staff entrusted with Council money are properly accountable.

## South Kesteven District Council Financial Regulations

- To separate the responsibility for identifying amounts due and the responsibility for collection, as far as is practicable and ensure staff are clear of their roles and responsibilities.
- To issue official receipts or to maintain other documentation for income collection. Officers must issue machine printed or official receipt forms or tickets when receiving all monies due to the Council. All official receipt forms (miscellaneous receipt books) shall be pre-printed, and Officers must sign all such receipts when issued.
- To ensure that at least two employees are present when post is opened so that money is received by post is properly identified and recorded under arrangements agreed with the Chief Finance Officer.
- To hold securely receipts, tickets and other records of income for the appropriate period.
- To order and issue all controlled stationery (receipt forms, books or tickets and similar items). The design of controlled stationery and arrangements for its control and security should be approved by the Chief Finance Officer.
- To lock away all income to safeguard against loss or theft, and to ensure the security of cash handling.
- To ensure that income is paid fully and promptly into the appropriate Authority bank account in the form in which it is received.
- To reconcile monies collected to evidence bankings in accordance with procedures determined by the Chief Finance Officer.
- To keep a record of all overs and shorts so that any necessary adjustments can be made by arrangement with the Chief Finance Officer.
- To ensure income is not used to cash personal cheques or other payments.
- To supply the Chief Finance Officer with details relating to work done, goods supplied, services rendered or other amounts due, to enable a sundry debtor invoice to be raised in a form approved by the Chief Finance Officer.
- To ensure that sundry debtor invoices are raised promptly and within seven calendar days of supply and the debt is supported by sufficient documentary evidence.
- To ensure that VAT is appropriately applied and the correct VAT category is used.
- Directors have a responsibility to assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information that may be requested by the debtor or by Legal Services in the event of Court action.

- To ensure that cash held on premises does not exceed approved limits and adequate insurance coverage has been obtained.
- 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.
- To recommend to the Chief Finance Officer all debts to be written off and to keep a record of all sums written off up to the approved limits. Once raised, no bona fide debt may be cancelled, except by full payment or by its formal writing off. A credit note can only be issued in relation to a debt in order to correct a factual inaccuracy or administration error in the calculation and/or billing of the original debt.
- To obtain the approval of the Chief Finance Officer when writing off debts in excess of the approved limit, and the approval of Cabinet where required.
- To notify the Chief Finance Officer of outstanding revenue relating to the previous financial year as soon as possible after 31 March in line with the timetable determined by the Chief Finance Officer.

## **26. Ordering and Payment of Works, Goods and Services**

### **What is Ordering and Payment for Goods and Services?**

- 26.1 Every day officers within the Council will order and/or authorise payments for goods and services. An order is a formal instruction requesting goods and services for which a payment will be given. An order should be electronic, represent a commitment on behalf of the Council, and form a contract with suppliers.
- 26.2 The Council has Contract Procedure Rules in place which aim to achieve value for money in the purchase of goods and services. These rules set the framework to ensure that procurement delivers value for money across all services and directly contributes to the achievement of our corporate priorities.

### **Why is ordering and payment important?**

- 26.3 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 Contract Procedure Rules.
- 26.4 **Key Controls**
- All goods and services are ordered only by appropriate persons and are correctly recorded.

## South Kesteven District Council Financial Regulations

- Only authorised officers set up in the E-procurement system can authorise unless in exceptional circumstances as approved by the Chief Finance Officer.
- Goods and services received are checked to ensure they are in accordance with the order.
- Payments are not made unless a valid purchase order is provided, goods have been received by the Authority to the correct prices, quantity and quality standards unless in exceptional circumstances as agreed by the Chief Finance Officer.
- All payments are made to the correct supplier, for the correct amount and are properly recorded, regardless of payment method.
- Normal method for all payments is via BACS.
- All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with the document retention guidelines.
- All expenditure, including VAT is accurately recorded against the right budget and any exceptions are corrected. If VAT is being re-claimed there is a need to ensure that it is appropriate to do so and a VAT invoice is provided.
- All invoices with Construction Industry Tax liability are accurately processed in accordance with the scheme.
- All invoices are addressed to South Kesteven District Council.
- In addition, the effect of e-business/e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

### 26.5 Responsibilities of Chief Finance Officer

- To ensure that the Authority's main financial systems and procedures are sound and properly administered.
- To approve any changes to existing financial systems and to approve any new systems before they are introduced.
- To make payments from the Authority's funds on the authorisation of officers in line with the Authorised Limits (see Appendix A) that the expenditure has been duly incurred in accordance with financial regulations.
- To ensure the security, safe keeping and maintenance of blank cheques.
- To ensure that payments are authorised in accordance with the bank mandate.
- To ensure payments are processed for the correct amount.

## South Kesteven District Council Financial Regulations

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

### 26.6 Responsibilities of Directors

- To ensure that officers use e-procurement for the raising of purchase orders and details of goods/services received are recorded in the system unless there are exceptional circumstances as approved by the Chief Finance Officer.
- To ensure that goods and services are purchased in accordance with the Council's Contract Procedure Rules.
- To ensure orders for goods and services are correctly addressed.
- To ensure that orders are only used for goods and service provided to the department or are purchased for recharge to voluntary organisations providing services that complement those provided by the Council.
- To ensure individuals do not use official orders to obtain goods or services for their private use.
- Each order sent to a supplier must include the contract price or quotation obtained as well as the contract/quotation reference.
- All invoices are in the name of South Kesteven District Council and contain accurate information in line with the order.
- To ensure invoices are processed in a timely manner.
- To ensure that where access to the computerised ordering system is available it is used to create a commitment to be shown against the budget head. Any exemption from this requirement to be subject to the approval of the Chief Finance Officer.
- To ensure that there are sufficient officers authorised to act on the Directors behalf for approving orders and paying invoices without orders. The approval limits should not exceed the Authorised Limits (see Appendix A).

## 27. Grant Payments

### What are Grant Payments?

- 27.1 South Kesteven District Council recognises and values the contribution that community and voluntary organisations make to their communities. Accordingly, grants are given to them to deliver services and activities that are in line with the Council's priorities, aims and objectives. This funding supports a range of activities including grants to the third sector.

### Why are Grant Payments important?

- 27.2 Grant payments are important as they are designed to help and support those organisations, often those who may have access to only limited resources, who provide services and organise activities for the local community. As this funding is sourced from public sources, it is important to ensure that it is spent in an appropriate way.

### 27.3 Key Controls

- Checks are undertaken on the integrity and financial standing of organisations to be funded.
- All applications are facilitated through a standard application form which requires various information including up to date accounts, bank statements, constitution, DBS information and child protection policies (where applicable) and expected outcomes which will arise from the funding provided. The amount of information requested will be proportionate to the amount of funding granted.
- Procedures are in place for the review and approval of grant applications, ensuring that expected outcomes align with Council priorities, aims and objectives.
- Funding agreements are signed off by both parties to confirm the terms and conditions on which the provision of funding is based. This will include the outcomes expected, performance indicators, and reporting requirements.
- Monitoring arrangements are established to ensure that evidence is provided by the organisation on a periodic basis to confirm that outcomes have been achieved in line with the grant funding agreement and that systems, processes and financial controls remain appropriate.

### 27.4 Responsibilities of Chief Finance Officer

- To ensure that all grant payments are properly recorded in the Council's accounts.

### 27.5 Responsibilities of Directors

- To ensure that grant awards are consistent with Council priorities, aims and objectives.
- To ensure grants awarded are in line with available budgets.
- To ensure that appropriate monitoring arrangements are in place, thereby obtaining assurance that funding has been applied for the purposes intended.

- To ensure that all grant payments are subject to annual consideration and approval.

## **28. Purchase Cards**

### **What are Purchase Cards?**

28.1 Purchase cards are a form of company charge card that allows goods and services to be procured. Purchase cards are issued directly to employees.

### **Why are Purchase Cards important?**

28.2 Purchase cards provide the Council with another method of payment for goods and services and reduces the need for cash within the Authority. Purchase cards also provide the Authority with greater visibility of ad-hoc transactions.

### **28.3 Key Controls**

- All purchase card transactions must be logged on the financial system.
- All purchase card transactions must be matched to the bank transaction and authorised by the authorising manager.
- Cards must be held securely and not shared.
- Purchase cards must not be used for personal transactions.
- Purchase cards must only be used by the individual who it is assigned to.
- Purchase cards will only be issued to individuals who have received appropriate training.
- Individual transaction and monthly limits must be agreed by the authorising manager.
- Purchase cards must only be used in accordance with the prevailing policy.

### **28.4 Responsibilities of Chief Finance Officer**

- To provide guidance to all officers on the proper use of Purchase Cards within the Council.
- To ensure that appropriate accounting guidelines are in place for transactions where the purchase card is used, including the accounting for VAT.

- To approve purchase cards to be issued to individual officers and approve individual and monthly transaction limits.
- To arrange cancellation of the Purchase Cards when an officer leaves the Authority.
- To provide guidance on receipt retention.

#### 28.5 **Responsibilities of Directors**

- To comply with the rules and guidance provided by the Chief Finance Officer.
- To set the individual and monthly transaction limits.
- To ensure that officers who are allocated Purchase Cards and their Managers are aware of their responsibilities regarding this (and further detail contained within the Purchase Card User Guide).
- To ensure that the card is returned to the Exchequer team, in person, in the event the cardholder leaves the Authority.
- To ensure that VAT receipts are retained for the appropriate period.

### **29. Payments to Employees and Members**

#### **What are Payments to Employees and Members?**

- 29.1 As part of main Council business, the Council has to pay officers their salaries. In addition, payments can be made for other expenses which they have occurred on behalf of their duties.
- 29.2 Salaries and wages are paid in accordance with the approved Establishment List for the Council. Salaries are paid on the third Friday of each month, partly in advance and partly in arrears. All payments are made by BACS.
- 29.3 Members' allowances are paid monthly through the payroll system.

#### **Why are Payments to Employees and Members important?**

- 29.4 Officer costs are the largest item of expenditure for most Councils. It is, therefore, important that payments are made accurately, timely, made only when they are due and that payments accord with individuals' conditions of services.
- 29.5 It is also important that all payments are made accurately, recorded and accounted for and that Members allowances are authorised in accordance with the scheme adopted.

#### 29.6 **Key Controls**

Key controls are:

- Proper authorisation procedures are in place and that there is adherence to corporate timetables and procedures in relation to the prompt notification of all changes including:
  - Starters;
  - Leavers;
  - Variations; and
  - Enhancements.
- All payments are made in accordance with the terms and conditions of employment, and approved timesheets and claims where appropriate;
- Frequent reconciliation of payroll expenditure against approved budget and bank account;
- All appropriate payroll documents are retained and stored for the defined period in accordance with the document retention schedule; and
- HMRC regulations are complied with.

#### 29.7 **Responsibilities of Chief Finance Officer**

- To arrange and control secure and reliable payment of salaries, wages, compensation or other emoluments to existing and former officers, and to determine and approve the associated procedures.
- To record and make arrangements for the accurate and timely payment of tax, superannuation and other deductions complying with statutory requirements.
- To make arrangements for payment of all travel and subsistence claims or financial loss allowance.
- To make arrangements for paying Members travel or other allowances upon receiving the prescribed form, duly completed and authorised.
- To provide advice to secure payment of salaries and wages by the most economical means.
- To ensure that there are adequate arrangements for administering superannuation matters on a day-to-day basis.

#### 29.8 **Responsibilities of Directors**

- To ensure appointments are made in accordance with the regulations of the Authority and approved establishments, grades and scale of pay and that adequate budget provision is available.
- To notify the HR Service of all matters affecting payments as soon as possible and in the required manner. In particular:

- appointments, resignations, dismissals, suspensions, secondments and transfers;
  - absences for sickness or other reason, apart from approved leave;
  - changes in pay rates, other than pay awards and agreements of general application; and
  - information necessary to maintain records of service for superannuation, income tax and national insurance.
- To ensure that adequate and effective systems and procedures are operated so that:
    - payments are authorised to bona fide officers only;
    - payments are only made where there is a valid entitlement;
    - conditions and contracts of employments are correctly applied; and
    - officer's names listed on the payroll are checked at regular intervals to verify accuracy and completeness.
  - To ensure all officers' expenses are paid via payroll.
  - 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 allowance 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 Chief Finance Officer is informed where appropriate.
  - Officers' claims submitted more than six months after the expenses were incurred will be assessed and determined, for payment or otherwise, by the Director. The Chief Finance Officer will provide guidance on which the assessments and determination can be made.
  - To ensure that the Chief Finance Officer is notified of the detail of any employee benefits in kind, to enable full and complete reporting within the income tax self-assessment system.
  - To ensure that all appropriate payroll documents are retained and stored for the defined period in accordance with the document retention guidelines.

## 30. Taxation

### What is Taxation?

30.1 There are five types of taxation which the Council will be aware of and take account of when it carries out its business. These are:

- Value Added Tax (VAT);
- Income Tax and National Insurance;

- Construction Industry Scheme (CIS) Tax;
- Insurance Premium Tax; and
- Corporation Tax (on companies it controls)

30.2 Each has its own rules and relates to different areas of the Council's business.

### **Why is Taxation important?**

30.3 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.

30.4 Detailed consideration of future spending is required to ensure that the Council can continue to recover all the VAT it incurs, both on new schemes and on its existing expenditure. It is therefore important for all officers to be aware of their role in ensuring the Council's compliance with and adherence to HMRC's VAT Regulations and the requirements of the Council's VAT guidance.

30.5 It is important that the Council does not waste resources through under recovery of VAT, failing to identify taxable transactions and account for VAT due at the correct time, unnecessarily incurring non-UK VAT that is generally unrecoverable, or by making poor decisions due to inadequate information.

### **30.6 Key Controls**

- Budget Managers are provided with the relevant information and kept up to date on tax issues.
- Budget managers are instructed on required record keeping.
- All taxable transactions are identified, properly carried out and accounted for within stipulated timescales.
- Records are maintained in accordance with instructions.
- Returns are made to the appropriate Authorities within the stipulated timescale.

### **30.7 Responsibilities of Chief Finance Officer**

- To ensure that there are proper arrangements in place for the administration and accounting of the four areas of taxation.
- To ensure that all arrangements comply with the Council's statutory responsibilities.
- To complete a monthly return of VAT input and outputs to HMRC.
- To provide details to HMRC regarding the CIS Tax deduction scheme.
- To maintain up-to-date guidance for officers on taxation issues in the taxation manual on the Intranet with updates on significant changes.

- Complete the Council's annual partial exemption calculation and ensure that, as far as possible, this is not exceeded.
- Provide VAT advice, both strategically and operationally.
- To complete all HMRC returns regarding PAYE, on a timely basis.

### 30.8 **Responsibilities of Directors**

- To ensure that the correct VAT liability is attached to all income due.
- To ensure that all VAT recoverable on purchases complies with HMRC regulations.
- To ensure that all capital work and revenue development is notified to the Council's VAT Officer at the earliest opportunity where any of the following apply:
  - significant VAT is incurred;
  - any VAT-exempt income is generated; or
  - there are non-cash benefits, e.g. Land swap or provision of services at below market price.
- To fund any interest charges or penalties falling upon the Council from HMRC that result from their Directorate's failure to account for the correct VAT at the correct time.
- To retain all VAT-related documents in accordance with the Council's document retention policy.
- To ensure that, as far is possible, tax is accounted for in the correct tax accounting period.
- To ensure that, where construction and maintenance works are undertaken, the contractor fulfils the necessary construction industry tax deduction requirements.
- To ensure that all persons employed by the Authority are added to the Authority's payroll and tax deducted from any payments, except where the individuals are bona fide self-employed or are employed by a recognised agency.
- To ensure officers are aware of and follow the guidance on taxation issued by the Chief Finance Officer in the Authority's Tax manual.
- To ensure that officers are aware of their responsibilities in relation to self-billing (see self-billing regulation).

## 31. **Document Retention**

### **What is Document Retention?**

- 31.1 Laws and best practice provide requirements and guidelines for the retention and maintenance of documents, along with details as to how long they should be kept. A Document Retention Policy provides a systematic way of deciding to keep or destroy documents which have been received or created in the course of business. It gives guidance on how documents should be kept and how they should be destroyed.

#### **Why is Document Retention important?**

- 31.2 Document Retention is important as it provides a means of supplying evidence which verifies that income and expenditure recorded in the Council's financial statements is valid, accurate and complete. External organisations also require such confidence. There are strict guidelines and legal requirements in place to satisfy bodies such as HMRC.

- 31.3 A document retention policy will help to simplify the running of a Service by promoting efficiency and freeing up valuable storage space. Also, a document retention policy can protect you, ensuring you have evidence for your practice when required, and help makes sure laws are being followed.

#### **31.4 Key Controls**

- An understandable and clearly communicated Document Retention Policy is in place.
- All key areas of the Councils operations are covered within the policy.

#### **31.5 Responsibilities of Chief Finance Officer**

- To ensure that a comprehensive Document Retention Policy is in place and this is in line with statutory guidance.

#### **31.6 Responsibilities of Directors**

- To ensure compliance with the guidance within their services.
- To ensure that any amendments to the guidance are reported to the Records Manager on a timely basis.

## **32. Partnerships (including Joint Ventures and Companies)**

### **What are Partnerships?**

- 32.1 Partnerships provide alternative arrangements for the Council to ensure services are delivered to the local community. This may be better than providing the services directly or by procuring a service from another agency.

### **Why are Partnerships, Joint Ventures and Wholly Owned Companies Important?**

- 32.2 The distinctive role of the Council is one of leadership to bring together the contributions of the various agencies. We therefore need to deliver a shared vision of services based on user wishes. Partnerships play a key role in delivering community strategies and in

helping to promote and improve the well-being of the area. The Council can work in partnership with others - public agencies, private companies, community groups and voluntary organisations.

- 32.3 There are many reasons to enter into partnerships including:
- Providing new and better ways of delivering services to our residents
  - Creating formal structures to bind partners to work together long-term for shared objectives
  - Sharing risk with others
  - Accessing new resources, including funding
  - Forging new relationships

32.4 **Key Controls**

- All partnerships should be appropriately constituted, with clear and unambiguous rules for decisions, expenditure, goals and responsibilities.
- All partnerships should file accurate annual returns in a timely manner, in an appropriate form to the nature of the partnership.
- The key aims of the partnership should be agreed and committed to from all partner agencies.

32.5 **Responsibilities of Chief Finance Officer**

- To ensure that the accounting arrangements to be adopted for each partnership are satisfactory.
- To ensure that corporate governance arrangements and legal issues have been considered.
- To ensure that risks are fully appraised and reported before agreements are entered with external agencies.
- To ensure that any specific insurance is considered for any officers or members acting formally as a Director to any formally constituted company.
- To ensure that the Council's share of any financial impact is appropriately fed into the financial statements, medium term financial planning and budget planning processes.

32.6 **Responsibilities of Directors**

- To develop a suitable business case setting out the purpose of each partnership proposed and why the proposed route is the best to meet the Council's objectives.
- To ensure appropriate approvals are obtained before any negotiations are concluded with external agencies.
- To ensure that appropriate processes are put in place to represent the interests of the Council, in line with their stake in any partnership arrangement.

- To monitor the Council's share of any financial impact of the partnership is incorporated into the Council's budget monitoring processes.
- To monitor all other performance aspects of the partnership.

### **33. External Funding including Grant applications**

#### **What is External Funding?**

- 33.1 Sources of external funding provide additional resources to enable the Council to deliver services to the local community. This can be provided by the in-house service, or by commissioning partners or other agencies. Care needs to be taken, to ensure that the funding conditions meet the aims and objectives of the Council.
- 33.2 Smaller organisations may be prohibited from bidding for directly accessing some sources of external funding, relying on the Council to effectively sponsor their business case. If the Council accepts, then it becomes the accountable body for the grant; making it ultimately responsible for its correct use.

#### **Why is External Funding important?**

- 33.3 External funding is a very important source of income, especially at a time when the Council's resources are limited and scarce. However, funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Authority.
- 33.4 Local authorities are increasingly encouraged to provide seamless service delivery through working closely with other organisations and private service providers. Funds from external agencies provide additional resources to ensure that the Council objectives are achieved. By acting as Accountable Body for others, the Council may enable projects to proceed and support the achievement of wider objectives within its area.

#### **33.5 Key Controls**

The key controls for external funding are:

- to ensure that the key conditions of funding are understood and complied with; including planning and approval for any match funding and revenue costs associated with any capital grant (such as ongoing maintenance costs).
- to ensure that funds are acquired only to meet the priorities approved in the policy framework by the Council;
- to ensure that risks associated with the funding are known and mitigated – particularly around the potential future clawback of external funding
- to ensure any long-term constraints on assets is understood, recorded and adhered to, which arise from conditions attached to accepted grants.

- to assign a service area responsible for oversight of performance of any agency where the Council is acting as Accountable Body for external funding.
- to have a developed exit strategy for when the grant concludes.

### 33.6 **Responsibilities of Chief Finance Officer**

- To ensure that all funding applications are reviewed prior to submission
- To ensure that all funding notified by external bodies is received and properly recorded in the Authority's accounts.
- To ensure that any match funding requirements are considered prior to entering into agreements and the future revenue budgets reflect these requirements.
- To ensure that the revenue implications that arise from one off capital grants are understood before the grant is applied for..
- To ensure that any necessary claims or returns are made within the deadlines set.
- To ensure that audit requirements are met.
- To include the income and expenditure in the Council's Annual Statement of Accounts.
- To advise on requirements for ensuring that the Council's duties as Accountable Body for external funding are met
- To adjust the budgets in line with appropriately approved and awarded grants.

### 33.7 **Responsibilities of Directors**

- To ensure all applications for funding are consistent with the Council's priorities and have been reviewed by the Chief Finance Officer prior to submission
- To seek appropriate approval to accept any external funding in line with the authorised limits (see Appendix A).
- To ensure risks, constraints and any ongoing funding commitments are documented and fully considered against the benefits of any grants received.
- To ensure that all claims for funds and other returns are made accurately and duly signed by the due date.
- To ensure that the project progresses in accordance with the agreed programme and that all expenditure is properly incurred and recorded.

- To ensure that the appropriate approval is obtained prior to incurring additional expenditure on schemes, projects, programmes etc. which is to be financed wholly by additional grants or other income.
- To ensure that relevant documentation is retained in accordance with the terms of the grant as per the Council's document retention scheme.
- To provide on an annual basis details of external funding which have been agreed.
- To provide a breakdown of projected income and expenditure each year so that these can be properly budgeted for in the Council's financial system.
- To ensure appropriate performance monitoring of any funding where the Council is acting as Accountable Body.

## **34. Work for External Parties**

### **What is Work for External Parties?**

- 34.1 Legislation enables the Council to provide a range of goods services to both individuals and organisations. Various pieces of legislation cover whether costs can be recovered, the extent a surplus can be earned and whether there are restrictions on the use of any income received. The requirements may be directly agreed with the Council, or it may choose to bid to provide a service via a tender process.

### **Why is Work for External Parties important?**

- 34.2 Work may be chargeable and enable a unit to maintain economies of scale and existing expertise. Depending on the service and the recipient then the income may contribute to the Council's central running costs.

### **34.3 Key Controls**

- Ensure that the work falls within the Council's statutory powers.
- Ensure all parties are clear about what services are being provided and the basis of any such provision.
- Ensure risks associated with the work are known, documented and appropriately managed.
- Ensure proposals are costed properly and any charges are within Council's statutory powers.

### **34.4 Responsibilities of Chief Finance Officer**

- Ensure that all income and expenditure relating to External parties is contained within the Council's Annual Statement of Accounts.

- Support business areas to calculate costs associated with any service offered.
- Adjust budgets in line with any agreed changes in income and expenditure resulting from any approved works for External Parties.

34.5 **Responsibilities of Directors**

- Ensure that appropriate approval is sought in advance of any formal agreement to proceed in line with the Authorised Limits (see Appendix A).
- Ensure that the business area has the appropriate expertise and capacity to undertake any work before committing the Council into provision.
- Ensure that appropriate documentation is agreed between the parties including what services are being provided, charges, timing and trigger points of payments.
- Ensure risks are identified in advance and a risk management plan put in place; this could include:
  - Appropriate insurance provision
  - Appropriate timing of payments
  - Appropriate contract management
- To provide a breakdown of any projected income and any additional expenditure each year so that these can be properly budgeted for in the Council's financial system and included within the Statement of Accounts.

**Authorised Limits**

Operationally there are a series of decisions that are required to allow the Council to operate efficiently without seeking approval from Council each time (for example moving budgets, accepting grants or writing off bad debt). This appendix sets out limits and responsibilities for these matters. The amounts provided are the limits per scheme or project. The Chief Finance Officer is responsible for maintaining this document to maintain operational effectiveness (with any changes to limits taken in consultation with the Cabinet Member responsible for Financial matters). Any changes to limits should be included within the next financial monitoring report.

Nothing contained within this Appendix prohibits formal delegation by Full Council or Cabinet to delegate greater limits or a project, scheme or area basis.

**Revenue Budget amendments (sections 6, 32 and 33 of Financial Regulations)**

Virements (adjustments) to revenue budgets can take place under a range of circumstances:

- Revenue (current year only) – can be between employee to employee budgets or non-employee to non-employee budget lines (see section 6 of Financial Regulations) \*
- Revenue (grant funded) – note such changes will only be for the period of the grant (see section 32 of Financial Regulations)
- Revenue (external income) – this should only be for the duration of any contract, unless there is an expectation that income will be sustainable (see section 33 of Financial Regulations)

\* One-off virements should only be used when moving budgets from one area of responsibility to another. If they are maintained within one service area, consider reporting an underspend in one area, offset by an overspend in the other.

Table 1 below sets out as a minimum the approval required from the business, finance and members depending on the size of the change:

**Table 1 – Revenue Budget Amendments**

Business Lead	Finance Lead	Member Lead	Consultation	Revenue (in-year and grant funded)	Revenue (external income)
Head of Service	Team Leader	N/A	Assistant Director	Up to £25,000	Up to £25,000
Assistant Director	Chief Finance Officer or deputy	N/A	Director	£25,001 - £50,000	£25,001 - £50,000
Director	Chief Finance Officer	N/A	Cabinet Member	£50,001 - £100,000	£50,001 - £100,000
Director	Chief Finance Officer	Cabinet Member	N/A	£100,001 - £150,000	£100,001 - £250,000
Director	Chief Finance Officer	Cabinet	N/A	£150,001 - £250,000	£250,001 - £500,000
Director	Chief Finance Officer	Full Council	N/A	Over £250,000	Over £500,000

### Virements – Capital Budgets (Section 3 of Financial Regulations)

Virements to capital budgets can take place under a range of circumstances:

- Capital (grant funding) – if we have successful in securing grant funding
- Capital (external contribution) – if we have received income from another external source (such as a developer contribution)
- Capital (intra-scheme transfer) – if a scheme is going to overspend and this can be contained by transferring from another scheme in the same financial year without a risk that this will lead to an overspend in that scheme

Table 2 below sets out as a minimum the approval required from the business, finance and members depending on the size of the change:

**Table 2 Capital Budget Amendments**

Business Lead	Finance Lead	Member Lead	Consultation	Capital
Head of Service	Team Leader	N/A	Assistant Director	Up to £25,000
Assistant Director	Chief Finance Officer (or deputy)	N/A	Director	£25,001 - £50,000
Director	Chief Finance Officer	N/A	Cabinet Member	£50,001 - £100,000
Director	Chief Finance Officer	Cabinet Member	N/A	£100,001 - £150,000
Director	Chief Finance Officer	Cabinet	N/A	£150,001 - £500,000
Director	Chief Finance Officer	Full Council	N/A	Over £500,000

### Additions to Budgets (Sections 2 (Capital) & 3 (Revenue) of Financial Regulations)

Additions to the approved budget framework where no external funding has been secured (including creation of new service areas) can be agreed by Cabinet or Full Council as per the limits in the table 3.

**Table 3 Addition to Budget limits**

Approval Body	Revenue and Capital
Cabinet	Up to £150,000 per addition up to £600,000 cumulative per financial year
Full Council	Over £150,000 per addition and over £600,000 cumulative (per year)

Note that these limits do not apply if being fully funded from an external contribution or grant – see the virements section for approach and limits in these circumstances.

### Approval to use discretionary reserves with the exception of the Local Priorities Reserve and Regeneration Reserve

Accessing reserves to fund specific one-off expenditure can be agreed by the Chief Finance Officer or Cabinet Member as per the limits in the table 4:

**Table 4 Discretionary Reserve Approval Limits**

Business Lead	Finance Lead	Member Lead	Consultation	Limit
Director	Chief Finance Officer	N/A	Cabinet Member for Finance	Up to £100k
Director	Chief Finance Officer	Cabinet Member		Over £100k

**Authorised Signatories (Section 26 of Financial Regulations)**

Table 5 sets out the limit per transaction for raising orders, approving invoices (without an order), approving expenses to employees and approving lease agreements; noting that no payment should be split into smaller components to circumvent these limits.

**Table 5 Authorised Signatory Limits**

Authorised By:	Authorised Limit for Orders & Invoices	Authorised Limit for Payroll & Expenses	Authorised Period for Lease Agreements
Staff below Team Leader Level	Up to £1,000	N/A	N/A
Team Leaders or equivalent	£1,001 - £10,000	Up to £500	Less than 12 months
Heads of Service	£10,001 - £30,000	£501 - £2,000	Less than 12 months
Assistant Directors	£30,001 - £200,000	Over £2,000	Less than 12 months
Director	Over £200,000		
Chief Finance Officer	Over £200,000	Over £2,000	12 months and over

The Chief Finance Officer can, based upon a satisfactory explanation of need, agree an increase for officer(s) within a business area, for any amount up to the Chief Finance Officer's current limit.

**Bad Debt Write-Off (Section 25 of Financial Regulations)**

Any debit or credit balance under £50 per individual debt can be written-off by a Head of Service (or equivalent) without the need to be counter-signed. In all other cases, each write-off will be countersigned by the Chief Finance Officer or their deputy as appropriate as laid out in table 6.

**Table 6 Bad Debt Write-off Approval Limits**

Proposed by:	Authorised By:	Delegated Limit (per debt)
Heads of Service (or equivalent)	Assistant Director	£50 - £2,000
Assistant Director	Director & Deputy S151	£2,001 – £5,000

Director/ Chief Finance Officer	Chief Finance Officer	£5,001 – £25,000
Chief Finance Officer	Chief Finance Officer & Cabinet for Finance	Over £25,000

**Emergency Payments under the Emergency Plan (Section 5 of Financial Regulations)**

Director (in consultation with Chief Executive or Chief Finance Officer) up to £100,000  
Leader and Chief Executive in excess of £100,000

**Definition of Roles**

Throughout the document references are made to job titles and roles. During the period of the Regulations it is possible that titles will change. Therefore the updated title shall be equivalent (in terms of the management structure) to the title used in this document.

DRAFT

**Appendix B**

**Recommended Periods For The Retention Of Records**

Type of Document	Retention Period (Years)
<b>Accountancy/Financial</b>	
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
Records 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 until 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

**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

## South Kesteven District Council Financial Regulations

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
<b>Insurance Records</b>	
Expired insurance contracts	Retain indefinitely
Insurance claims	6
Insurance policy documentation	Retain indefinitely
Insurance register	Retain indefinitely
<b>Payroll</b>	
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	2

## South Kesteven District Council Financial Regulations

NI number changes	2
Payroll adjustment documentation	6
Part time employees' claim forms	6
Pensions personal records	Retain indefinitely
SSP records	4
Staff transfer records	6
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 Chief Finance Officer.

This page is intentionally left blank

## Financial Regulations

A comprehensive review of the Financial Regulations was completed in 2019/20 and were approved by full Council on 30 January 2020.

This document seeks to map out how areas of the original Financial Regulations have been amended, together with those areas that are recommended for deletion. It should be read in conjunction with the new proposed Financial Regulations, together with the working copy of the original Financial Regulations which is colour coded as follows:

**Yellow - Recommended Additions:**

**Blue - Recommended Amendments:**

The following table sets out recommended additions, amendments and deletions to the current Financial Regulations:

Reference	Information	Explanation
33	<p>Amend the header to External Funding including Grant applications.</p> <p>Under CFO responsibilities include; To ensure that all funding applications are reviewed prior to submission</p> <p>Amend point four from accepted to applied for</p> <p>Amend point one of responsibilities of Directors:  To ensure all applications for funding are consistent with the Council's priorities and have been reviewed by the CFO prior to submission</p>	<p>This amendment will strengthen the application and approval of external grants and ensure that all elements of the financial implications are considered prior to the commitment being made</p>
Virements – Revenue Budgets	<p>Amend the referenced sections from 6, 33 and 34 to 6, 32 and 33</p> <p>Amend the approval limits in the table for revenue in-year virements</p>	<p>Incorrectly referenced in current Financial Regulations</p> <p>Limit aligned to level of revenue budget</p>

Virements – Capital budgets	Amend the approval limits to bring achieve consistency with revenue budgets and to also align to the level of capital budgets	Achieve consistency and to align to the level of the capital budgets
Accessing Reserves	Approval limits to access service specific reserves with the exception of the Local Priorities Reserve and the Regeneration Reserve (table 4 Discretionary Reserve Approval limits)	These are proposed to ensure specific reserves can be utilised during the financial year as required
Additions to Budgets	Amend the cumulative total so that it is a multiple of £150k (table 3 Addition to Budget limits)	This will enable Cabinet to consider up to four £150k budget additions during the year
Authorised signatories	Amend the table to include staff below team leader level authorisation limit of up to £1,000 (table 5 Authorised Signatory Limits)	This was excluded from the original Financial Regulations
Bad Debt Write-off	Amend the approval limits in the table (table 6 Bad Debt Write-Off approval limits)	The current limits were not of a sufficient level to allow for all forms of debt that is irrecoverable and so the limits have been reviewed