

Guildhall Gainsborough
Lincolnshire DN21 2NA
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This meeting will be webcast and published on the Council's website

AGENDA

Prayers will be conducted prior to the start of the meeting.
Members are welcome to attend.

Notice is hereby given that the 52nd ANNUAL MEETING of West Lindsey District Council will be held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA, on **Monday, 11th May, 2026 at 7.00 pm**, and your attendance at such meeting is hereby requested to transact the following business.

To: Members of West Lindsey District Council

1. OUTGOING CHAIRMAN'S WELCOME
2. APOLOGIES FOR ABSENCE
3. MEMBERS' DECLARATIONS OF INTEREST
Members may make any declarations of interest at this point and may also make them at any point during the meeting.
4. TO ELECT A CHAIRMAN OF THE DISTRICT COUNCIL FOR THE 2026/27 - CIVIC YEAR
Following which, the Chairman elected will take the Chair and make the Declaration of Acceptance of Office
5. TO APPOINT A VICE-CHAIRMAN OF THE DISTRICT COUNCIL FOR THE 2026/27 CIVIC YEAR
Following which, the Vice-Chairman appointed will make the Declaration of Acceptance of Office.

6. CHAIRMAN'S CHAPLAIN

- (a) to move a vote of thanks to those who presided over prayers, on behalf of the Chairman, at Council during the past year;
- (b) to receive the appointment of Chairman's Chaplain for the ensuing year and investment of the Stole.

7. TO ELECT A LEADER OF THE COUNCIL FOR 2026/27

The following nomination(s) have been received in accordance with Article 6 of the Constitution:

Nominee:	Councillor Jackie Brockway
Proposer:	Councillor Trevor Bridgwood
Seconder:	Councillor Jeanette McGhee

8. TO APPOINT A DEPUTY LEADER OF THE COUNCIL 2026/27

9. MINUTES OF THE PREVIOUS MEETING

To confirm and sign as a correct record the Minutes of the Meeting of Full Council held on 13 April 2026.

(PAGES 5 - 19)

10. REPORTS FOR DETERMINATION

- a. Update on Annual Review of the Constitution and Planned Work

(PAGES 20 - 151)

- b. Establishment of Committees, seat allocation based on political balance and Policy Committee Terms of Reference

To note the Group Leaders of each Group and agree the number of Members to be appointed to serve on each Committee in accordance with the provisions of Section 15 of the Local Government and Housing Act 1989.

(PAGES 152 - 179)

- c. Appointment of Members to Committees for the Civic Year 2026/2027

In accordance with the provisions of Section 16 of the Local Government and Housing Act 1989, to appoint Members to Committees for the Civic Year, in accordance with the wishes expressed by the Political Groups.

(PAGES 180 - 185)

- d. Appointment of Committee Chairmen and Vice-Chairmen for the Civic Year 2026/27 and to Agree the Normal Commencement Time for Each Committee

(PAGES 186 - 191)

- e. Appointments on Outside Bodies Which Have Expired

(PAGES 192 - 198)

- f. Overview & Scrutiny Annual Report 2025/26

(PAGES 199 - 208)

11. EXCLUSION OF PUBLIC AND PRESS

To resolve that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of the Act.

12. EXEMPT REPORT(S)

- a. Scampton Development Agreement and Bid Submission

(PAGES 209 - 230)

Paul Burkinshaw
Head of Paid Service
The Guildhall
Gainsborough

Thursday 30 April 2026

Agendas, Reports and Minutes will be provided upon request in the following formats:

Large Clear Print: Braille: Audio: Native Language

WEST LINDSEY DISTRICT COUNCIL

Minutes of the Meeting of Council held in the Council Chamber - The Guildhall, Marshall's Yard, Gainsborough, DN21 2NA on 13 April 2026 at 7.00 pm.

Present: Councillor Matthew Boles (Chairman)
Councillor John Barrett (Vice-Chairman)

Councillor Stephen Bunney	Councillor Emma Bailey
Councillor Owen Bierley	Councillor Trevor Bridgwood
Councillor Mrs Jackie Brockway	Councillor Frazer Brown
Councillor Karen Carless	Councillor David Dobbie
Councillor Adam Duguid	Councillor Jacob Flear
Councillor Ian Fleetwood	Councillor Paul Howitt-Cowan
Councillor Paul Key	Councillor Mrs Angela Lawrence
Councillor Paul Lee	Councillor Jeanette McGhee
Councillor Peter Morris	Councillor Lynda Mullally
Councillor Maureen Palmer	Councillor Roger Pilgrim
Councillor Mrs Lesley Rollings	Councillor Tom Smith
Councillor Baptiste Velan	Councillor Moira Westley
Councillor Trevor Young	

In Attendance:

Paul Burkinshaw	Chief Executive
Peter Davy	Director of Finance and Assets (Section 151 Officer)
Lisa Langdon	Assistant Director People and Democratic (Monitoring Officer)
Katie Storr	Democratic Services & Elections Team Manager

Also in Attendance: Mr S Blogg (member of the public)

Also Present: 6 members of the public
1 member of the press

Apologies

Councillor Eve Bennett
Councillor Liz Clews
Councillor Christopher Darcel
Councillor Sabastian Hague
Councillor Roger Patterson
Councillor Mrs Diana Rodgers
Councillor Jim Snee
Councillor Mrs Mandy Snee
Councillor Paul Swift

95 CHAIRMAN'S WELCOME

The Chairman welcomed all present, and advised that debate during the meeting would be managed in accordance with the procedure rules, which had been previously circulated by the Monitoring Officer.

96 MINUTES OF THE PREVIOUS MEETING

It was noted that there was a typographical error within Minute 91 from the minutes of the meeting held on 2 March 2026. The minute stated the council tax increase was £7.38 'per week' when it should have read 'per year'.

Members accepted the amendment.

With regard to the minutes of the Extraordinary Meeting of Full Council, held on 16 March 2026, the Leader of the Opposition offered additional information regarding past communications and decision making about Local Government Reorganisation. With no formal amendment on accuracy being moved, his comments were noted.

Having been proposed and seconded, on being put to the vote it was:-

RESOLVED that the Minutes of the Meeting of Full Council held on 2 March, as amended, and the Minutes of the Extraordinary Meeting of Full Council held on 16 March 2026, be confirmed and signed as a correct record.

97 MEMBERS' DECLARATIONS OF INTEREST

There were no declarations of interest at this juncture.

98 MATTERS ARISING

The Chairman introduced the report advising Members that it would be taken "as read" unless Members had any questions that they wished to raise.

With no comments or questions and with no requirement to vote, the matters arising were **DULY NOTED**.

99 ANNOUNCEMENTS

Chairman

The Chairman addressed the Chamber highlighting recent events attended, including the opening of the new Waterstones Store in Gainsborough. He commented on the high level of support for the opening, with people queueing around the block, and that subsequent numbers of people in the store showed it had been well-received.

The Chairman had also attended the unveiling of a new painting at Gainsborough Central Station, and he encouraged Members to walk up to the station to see. He commented that it was an excellent piece of art which had received credit across the town, and he extended his thanks to Town Councillor Rick Craig, who had been instrumental in the piece, and bringing the community together .

The third event the Chairman wished to highlight had been a presentation and celebration morning at Buddies Dementia Club in Nettleham, which he had attended with Vice Chairman Councillor Barrett, Councillor Brown, and Councillor Bunney in his County Council capacity. The Chairman expressed his delight at what had been an amazing event, with over 90 residents present, 20 to 30 volunteers, and people attending from all over the county. He had been honoured to present over 20 certificates to the volunteers of the club, which was also celebrating its ninth birthday.

The Chairman encouraged all present to highlight similar groups and organisations, with both he and the Vice Chairman seeking to encourage the community involvement and recognise the hard work of volunteers across the district, through attending events and presenting certificates of thanks and recognition.

Leader of the Council

The Leader of the Council addressed the meeting and made the following announcements:-

“Since the last full council, I have had the opportunity to attend a number of very useful and interesting events. Along with our Chief Executive I attended the Financial Wellbeing Conference at Lincoln Showground, which provided an update on the new Crisis and Resilience Fund and where I was able to listen to talks from a wide range of charities and other institutions, who are involved in promoting and assisting financial and other wellbeing in different parts of the community. Round table conversations made clear that transport problems are high on people's list of concerns, so I made this known to the mayor, as transport is her remit.

Loosely related to this it would be helpful for you to know that this Administration is currently in the process of reviewing the car parking strategy and plan to bring a report to the Prosperous Communities Committee later this month along with a report progressing our planned enhancements to leisure facilities.

I am also pleased to advise Members that the Council's Expression of Interest in connection with the acquisition of RAF Scampton that Council recently approved has progressed to the final stage with Home Office looking to fast track the disposal. The deadline for the council's submission is late May and reports will be brought forward to committee and council in due course.

Along with Sir Edward Leigh, I'm delighted to have appointed two outstanding people to be joint chairs of the Pride in Place Committee. Steve Gelder and Ben Rollett bring high-level experience from both the private and community sectors. They are currently working on forming their board in readiness to start the project.

I attended a meeting of the Central Lincolnshire Joint Strategic Planning Committee

so that our voice could be heard in the development of the new Central Lincolnshire Local Plan. Discussion was extensive and Officers took note of people's thoughts. I will report back intermittently as this progresses.

I was fortunate to be able to attend an event at Gainsborough Golf Club where representatives of a wide range of community and private sector organisations came together to reflect on and celebrate ten years of the Employment and Skills Partnership and what had been achieved in that time through strong partnership working and which continues to deliver.

Officers and councillors recently attended the Local Council Network Conference (formerly District Councils Network), where we spent a number of hours over two days, listening to speakers from Parliament, the House of Lords, private and public sector organisations, who disseminated a considerable amount of useful information about local government issues, including problems, successes and future development.

I recently attended a Teams meeting run by the Trent Supercluster Collective, where information was given about nuclear fusion and I also went to a very useful meeting of the Greater Lincolnshire Leaders last week, where attendees concentrated on the nitty gritty of moving forward with the county's preparation for LGR following the recent decisions regarding LGR in the Devolution Priority Programme areas and received an update from the Police and Crime Commissioner and Chief Constable on their funding and future plans.

Finally, Chairman, the Local Government Association (LGA) Corporate Peer Challenge Team revisited the council recently following their initial visit back in January 2025 and subsequent report, to follow up on our progress. We received a number of compliments about the large amount of work this council has done since their last visit and we look forward to receiving their formal report in the next couple of weeks which will of course be shared with all councillors.

On behalf of the Council I would like to thank the Peer Team from the LGA and all those Members and officers that supported and participated in their recent visit to the council.”

Chief Executive and Head of Paid Service

The Chief Executive addressed the Chamber to acknowledge the excellent work undertaken by a range of services, particularly those involved in the successful rollout of the food waste collection service which took effect from 30 March. He highlighted that one in four councils had failed to meet that deadline, and he praised the amount of work, planning, and collaborative working across the council, that had taken place in order to achieve that successful rollout.

100 PUBLIC QUESTION TIME

The Chairman advised Members that one question had been received from Mr Stephen

Blogg, a resident of Gainsborough. Mr Blogg was invited to read his question to the meeting, as follows:

“Residents currently cut across a piece of waste land between Margaret Close and Mayfield Avenue as a shortcut between the two areas. However, the ground is frequently muddy, uneven, and unsuitable for residents with limited mobility, parents with pushchairs, and wheelchair users.

This route is regularly used by residents accessing the local doctors’ surgery, the nearby school, and is also in close proximity to John Coupland Hospital. Providing a properly surfaced footpath would not only improve accessibility and safety but would also encourage walking, promote healthier lifestyles, and support safer routes to school. Improved pedestrian access to healthcare facilities is particularly important for elderly residents and those with mobility challenges.

Given the clear and consistent use of this route by the community, would the Council consider installing a formal, all-weather footpath across this land to ensure it is accessible, safe, and usable throughout the year?”

The Chairman thanked Mr Blogg for his question, and invited Councillor J. Brockway, Leader of the Council, to respond. The Leader responded as follows:

“Firstly welcome Mr Blogg and thank you for bringing this matter to the Council’s attention.

My Property and Assets Team have confirmed that the piece of land in question does belong to West Lindsey District Council, and actually forms part of an open space. However, installing a footpath does require us to liaise with County Council and to consider other issues, such as costs maintenance and land classifications. My officers will continue to investigate and I will write to you Mr Blogg when investigations have completed.

Thank you Mr Blogg”

The Chairman thanked the Leader for her response, again thanked Mr Blogg, and advised he would receive a copy of the response, in writing, following the meeting.

101 QUESTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 9

The Chairman advised the meeting that three questions had been received pursuant to Procedure Rule No.9. The questions had been circulated to all Members, separately to the agenda, and published on the website.

The Chairman invited Councillor Howitt-Cowan to put his question to the Leader of the Council, Councillor Jackie Brockway, as follows:-

“Could the Leader please inform the Council of the intentions for the redevelopment or future use of the old Guildhall site and the former B&M building on Lord Street, Gainsborough?

Both sites are of significant strategic importance to the town, and residents feel that a

clear plan should be established ahead of any local government reorganisation to ensure their long-term benefit to the community.”

The Leader responded as follows:-

“Thank you for your question Councillor Howitt-Cowan. With regards to the old Guildhall site in Gainsborough, this is designated as surplus land on the Council’s asset register and currently the Council has no plans for this site. In respect of the building at 14-20 Lord Street, Gainsborough this is now being actively marketed and it is hoped that the Council can secure a tenant in the near future.”

The Chairman invited Councillor Velan to put his question to the Leader of the Council, Councillor Jackie Brockway, as follows:-

“In light of the recent case in Sudbrook where a Section 106 Highways contribution has been deemed unrecoverable following the death of the original landowner and the subsequent liquidation of the successor company, could the Council provide:

- The total number of Section 106 agreements across the district that have resulted in unrecoverable contributions over the past ten years
- The total financial value of these unrecoverable sums
- A breakdown of the main reasons why these contributions could not be collected, including instances involving company insolvency, legal limitations, or prohibitive recovery costs
- And finally, what mitigation measures the Council is putting in place to reduce the risk of similar losses in future, such as strengthened monitoring of trigger points, earlier invoicing, enhanced due-diligence on land transfers, or revised legal drafting to protect the authority where ownership changes occur?”

The Leader responded as follows:-

“Thank you for your question Councillor Velan. The total number of Section 106 agreements across the district that have resulted in unrecoverable contributions over the past ten years is one, that being the Sudbrooke case.

The total financial value of these unrecoverable sums is £ 49,944.52 which is solely the Sudbrooke case including indexation. For the Sudbrooke case, death of the original landowner and the subsequent liquidation of the successor company.

All Section 106 agreements are regularly monitored in relation to the associated obligations and financial contributions due, to ensure that the requirements are delivered in accordance with the particular agreement.

A Section 106 Monitoring Fee was adopted in 2025 to contribute towards the cost of this work, which includes the following tasks:

- Centralised logging of agreements onto the housing database.
- Desktop monitoring of development progress against section 106 triggers.

- Site visits to check progress on the ground.
- Enforcement action where necessary if obligations are not being adhered to.
- Liaison and coordination with other recipient parties (e.g. NHS, LCC, parish councils).
- Financial tasks (calculation of indexation and interest due; recording payments received; making payments to third parties).
- Reporting of section 106 obligations met and funds held.

Full details of section 106 obligations agreed and payments received and spent are contained within the Infrastructure Funding Statement which is produced annually and published on the Council's website.

With regard to the specific Sudbrooke case, the unrecoverable contributions related to Highways and were therefore payable directly to Lincolnshire County Council (LCC). The circumstances of the death of the original landowner and the subsequent liquidation of the successor company were particularly unusual.

The decision to right off the debt as being unrecoverable was taken by LCC, following legal advice. It should be noted, however, that the section 106 agreement also contained two other obligations relating to the provision of a car park and the transfer of a piece of land to LCC, with both of these obligations being met."

The Chairman invited Councillor Dobbie to put his question to the Leader of the Council, Councillor Jackie Brockway, as follows:-

"Leader, I have asked over the past couple of years why we have not looked into having Safety Zones in our town Centres to try to improve security to our night time economy?"

The Leader responded as follows:

"Thank you for your question Cllr Dobbie. Gainsborough's key areas for night time economy are well covered by CCTV, something the Council has invested heavily in, and we do have an active pub watch scheme.

A dedicated safe space has not been specifically investigated over the last two years but certainly, there is absolutely no problem in looking at these things and considering whether the detailed covering that we have got at the moment can be enhanced in any way. I have spoken with officers, and if I find anything extra which might help you with the information I will come back to you. Thank you very much."

Through the Chairman, Councillor Dobbie asked a supplementary question, that being:-

"How many Officers or Councillors have been out with the Bearded Fishermen watch scheme to see the issues at night time in our communities?"

The Leader offered the following response:-

"I would need to speak with others to find out that information, however, I have certainly been out in the evening. I have also engaged extensively with the police and

have viewed videos about night-time behaviour and in fact I have a meeting tomorrow about similar things. I can only tell you about my activity there but of course it's perfectly easy to ask Councillors or Gainsborough Councillors certainly what their activities are in relation to this. Thank you very much."

This brought Rule No.9 questions to an end.

102 MOTIONS PURSUANT TO COUNCIL PROCEDURE RULE NO. 10

The Chairman advised the meeting that three motions, pursuant to Council Procedure 10 had been received, as set out in the agenda.

As the mover of the first motion, Councillor Carless was invited to read aloud her motion to the meeting, as follows:-

Motion 1 – Squaddie Box

"Members - Council recognises the difficulties for ex Armed Forces personnel with no fixed address to accessing services and understand they can struggle to navigate complex transitions back into communities. The WLDC Armed Forces Covenant housing position recognises that this cohort can face challenges linked to relationship breakdown, mental health issues and the broader difficulties that can arise during transition to civilian life.

In those circumstances, services may technically be available, but engagement can still be fragile. Something as simple as having a stable and recognised correspondence address can make a meaningful difference to how individuals reconnect with services to gain help and support.

Members note the 'Squaddie Box' initiative ([Home - Squaddie Box \(CIC\)](#)) which helps by providing a secure personal mailbox with 24-hour access where veterans are able to collect their correspondence privately and at a time that suits them, without needing to attend public offices. Other vulnerable cohorts could also potentially benefit from this with the opportunity to expand this to civilians being explored.

Council resolves to ask the relevant committee to consider rolling out a pilot of this initiative to assess the benefits of such a scheme to vulnerable households in West Lindsey and consider whether it could be implemented to identify a need for this type of service across the District.

I so move
Councillor Karen Carless"

Having been seconded, the Chairman thanked Councillor Carless and referred Members to procedure rule 10.4, highlighting that as the motion fell within the remit of another committee, it would stand referred without discussion, for consideration and determination by that Committee.

As the mover of the second motion, Councillor Rollings was invited to read aloud her motion to the meeting, as follows:-

Motion 2 – Driving Test Centre Provision

“Members - This Council notes that young people living in rural districts such as West Lindsey face significant barriers when accessing employment, education, and training due to limited public transport.

The Council further notes that the nearest practical driving test centres for residents are currently located in Lincoln and Scunthorpe. As a result, learner drivers from towns such as Gainsborough must pay for extended driving lessons simply to travel to and practise around these locations.

This significantly increases the cost of learning to drive and places many young people and low-income residents at a disadvantage. In rural communities, the ability to drive is often essential for accessing employment opportunities, apprenticeships, and further education.

This Council believes that improving access to driving test facilities would support social mobility, economic opportunity, and fairness for residents living in rural areas.

Therefore, this Council resolves to:

1. Write to the Driver and Vehicle Standards Agency requesting that it reviews the availability of driving test facilities within West Lindsey District.
2. Lobby the Department for Transport to consider establishing a driving test centre in Gainsborough or elsewhere within the district.
3. Work with local MPs, including the Member of Parliament for the area, to advocate for improved access to driving test provision for rural communities including exploring whether a temporary satellite or periodic driving test facility could be established locally to reduce travel costs for residents.

I so move

Councillor Lesley Rollings”

The Chairman thanked Councillor Rollings and sought a seconder for the motion. Having been seconded, the Chairman opened the floor for debate.

During the course of significant debate, Members were united in their recognition of the importance of access to driving lessons, and subsequently driving tests, particularly due to the rurality of the district. Differing opinions were expressed regarding how to address difficulties faced by young and learner drivers, be that a cost issue, access to instructors, or distance from a test centre.

The motion was welcomed for the debate it generated, however Members indicated a lack of support for the motion as proposed and seconded. The Leader of the Council offered her thoughts on how additional information could be sought, with a view to that information further informing subsequent action from Council if appropriate. She also offered to liaise with the Mayor of the Greater Lincolnshire Combined County Authority, and Sir Edward Leigh, MP, to gain their support. Suggestions for alternative ways forward were made, with advice from the Monitoring Officer being sought for clarity of how to proceed.

Following further debate, and advice from the Monitoring Officer, the following amendments to the motion were duly proposed and seconded: that sections two and three be removed, and that the word 'facilities' in section one be amended to 'opportunities'.

With the amended motion confirmed, the Chairman took the vote and it was

RESOLVED that the Leader of the Council write to the Driver and Vehicle Standards Agency requesting that it review the availability of driving test opportunities within West Lindsey District.

As the mover of the final motion, Councillor Young was invited to read aloud his motion to the meeting, as follows:-

Motion 3 – Amendment to Rule 9 (Questions at Full Council)

“This Council notes that:

- Under the current provisions of Rule 9 of the Council Procedure Rules, questions to Full Council must be submitted in advance within a specified notice period;
- This requirement can prevent councillors from raising urgent or time-sensitive matters that arise shortly before a meeting;
- Effective democratic scrutiny relies on the ability of elected members to respond promptly to emerging issues affecting their residents.

This Council believes that:

- Greater flexibility should be introduced to enable councillors to raise pressing concerns without unnecessary delay;
- Any such flexibility should be balanced with the need for orderly and well-managed meetings.

This Council resolves to:

1. Request that the Monitoring Officer facilitates a review of Rule 9 of the Council Procedure Rules; to include
 - (a) proposed amendments to allow questions to be submitted without prior notice on the day of a Full Council meeting, at the discretion of the Chairman;
 - (b) Ensuring that appropriate safeguards are included to maintain the efficient conduct of Council business;
2. the outcome of the review and any proposed constitutional changes be presented to a future meeting of Full Council within 3 months for consideration.

I so move

Councillor Trevor Young”

The Chairman thanked Councillor Young and sought a seconder for the motion. Having been seconded, the Chairman opened the floor for debate.

During the course of debate, examples were drawn from neighbouring councils and comparisons made with executive models of governance whereby portfolio holders would be asked specific questions at the time of a meeting. There was support given to the mode of having questions submitted in advance, for the fact that there was sufficient time to prepare an answer, with the questions from earlier in the meeting stated as examples of questions

which would not have been answerable on the night if not provided in advance.

With regard to the option for raising urgent issues on behalf of residents, it was suggested by Members that such matters would potentially not be suitable for discussion in a Full Council meeting, and if truly urgent, the best practice approach would be to raise the matter with relevant Officers in order for a solution to be found as soon as possible. Additionally, it was felt that should a matter be considered urgent, it would not be appropriate to delay response by waiting for a meeting of Full Council to address the matter.

Comments in favour of the motion pertained to engagement and accessibility for residents to ask questions of Council and receive an instant response, with the aim to be increasing transparency and accountability between residents and Councillors. Examples were provided of the covid-19 pandemic where information had changed rapidly, and the ability to ask and answer in an instant would have been beneficial. The importance of being open and engaging with young voters was also highlighted.

With no further speakers, the Chairman invited Councillor Young to give his closing remarks. Councillor Young acknowledged the comments from the floor, recognising the different approaches within differing governance models, however highlighted that the procedure rule had been in place for many years and his motion had been seeking for a review of the rule, rather than seeking a definitive change to it. He reiterated his reason for requesting a review take place, citing the need for open and transparent interactions with members of the public.

With debate coming to a close, and the motion having been seconded, the Chairman took the vote. By majority vote, the motion was **lost**.

103 RECOMMENDATION FROM GOVERNANCE AND AUDIT COMMITTEE - REVISED MEMBER OFFICER PROTOCOL

The Chairman of the Governance and Audit Committee introduced the report which stood recommended from his Committee, and sought Council approval to adopt the revised Member Officer Protocol.

He explained that in light of new guidance received from the Local Government Association dated November 2025, the previous protocol had been reviewed and updated, with a revised document considered by the Governance and Audit Committee on 10 March 2026, and was now recommended to Council before adoption. A summary of the key changes were detailed in section two of the report, and, if approved, it was intended to socialise the document across the organisation's wider management team which would include a political awareness training session being provided for officers at management level, and a session for all Members on the content of the document.

Having been moved and seconded by the Chairman and Vice-Chairman of the Governance and Audit Committee, and with no further speakers, the Chairman of the Council took the vote and it was

RESOLVED that the recommendation from the Governance and Audit Committee be accepted, and the Member Officer Protocol be approved for adoption.

104 REVISED - POLICY COMMITTEE STRUCTURE PROPOSAL

The Chief Executive introduced the report seeking approval of proposals for a new Committee structure, to take effect from the Annual Council Meeting in May. This would see the Council operate with three policy committees instead of two. The proposed terms of reference for the three new policy committees were appended to the report. It was indicated that should the proposal be agreed by Full Council, delegation was sought for the Monitoring Officer and Section 151 Officer to make any necessary changes to the Constitution to effect the changes needed for the new Committee structure.

The Chief Executive highlighted to Members that following the recent adoption of the Council's Corporate Plan, and the budget which aligned the resources to delivery of the Plan, it was appropriate that the Council considered how its democratic processes supported delivering the commitments detailed in the Corporate Plan. He noted this had also been a comment raised by the Peer Review Team on their recent visit to the Council.

Members were invited to recall that as part of the approval of the Corporate Plan, there were three key themes, those being Thriving Council, Thriving People and Thriving Places. A corresponding thematic business plan was approved against each of those, setting out the Council's intended deliverables and the performance measures against which progress would be assessed.

The Chief Executive expanded that the rationale for the three policy committee proposal was to bring clear remit and responsibility of those committees in terms of their role in delivering against the Corporate Plan; and to give a clear role and remit for the Chairmen and Vice-Chairman of those committees in terms of their responsibilities and in leading their committees to deliver against those commitments.

Attention was directed to paragraph 1.4 which highlighted that the draft Terms of Reference would be subject to further review and refinement, subject to approval of the principle of three policy committees, and the final Terms of Reference would be presented to the Annual Council Meeting in May 2026.

The Chairman thanked the Chief Executive and invited comments from the floor.

The Leader of the Council expressed her support for the proposal, seeking one amendment to the wording regarding monitoring aspects of work undertaken by contractors. She requested that the point be amended to ensure clarity of purpose, and suggested the use of 'external providers' rather than 'contractors'. The amendment was noted to be taken forward on reviewing the draft documents.

Concerns were expressed regarding the role of the Chairmen and Vice-Chairmen in the proposed structure, with Members suggesting the enhanced roles were indicative of an executive model of governance, as opposed to the committee structure in place at West Lindsey District Council. In response, the Chief Executive assured Members that the governance of the Council would continue through the committee system, however in any governance structure, political leadership was a key element, with the proposal seeking to strengthen that, as well as benefit the Council from enhanced working relationships between Members and Officers.

The Leader of the Opposition summarised debate as it had taken place at the meeting of the Governance and Audit Committee, and praised the involvement of the Independent Members in that debate. He highlighted concerns regarding the balance of business across three committees, as well as questioning the ability of Councillors to attend meetings, particularly if there was to be an increased expectation on Chairmen and Vice-Chairmen. In voicing no preference for a two or three policy committee structure, he concluded by requesting that his concerns be considered when the Leader sought to make appointments to committees at the Annual General Meeting of Full Council in May.

Further comments from Members highlighted the impending Local Government Reorganisation (LGR), and the impact this would have on the existence of West Lindsey District Council, questioning the relevance of altering the committee structure at the current time. Additionally, with reference to the debate at the Governance and Audit Committee, concerns were reiterated regarding the establishment of new Chairman and Vice-Chairman roles.

In response, the Chief Executive highlighted the breakdown of the key deliverables and projects across the three themes, and which would therefore equate to business through the three policy committees. He acknowledged the impact of LGR, which was also reflected in the thematic business plans, however the dissolution of the Council remained two years away under current LGR schedules. He stated the importance of continuing to deliver for the people of West Lindsey, rather than hindering progress whilst waiting for LGR to take effect. The key importance of political leadership across all themes of the Corporate Plan was also reiterated, expanding on the need for those Chairmen and Vice-Chairmen to be engaged through delivery and monitoring.

With no further speakers indicating, the Chairman confirmed the paper had been proposed and seconded. Following a proposal from a Member for a recorded vote, the Chairman sought those in agreement, and with three Members indicating support, the proposal fell.

On taking the vote it was

RESOLVED that

- a) the proposed Committee Structure and draft terms of reference as outlined within the report be approved to take effect from the Annual Council Meeting in May 2026; and
- b) authority be delegated to the Monitoring Officer and Section 151 Officer to make any changes required to other parts of the Constitution to effect the changes set out in the report.

105 APPOINTMENT OF INDEPENDENT PERSONS (STANDARDS)

The Chairman introduced the report seeking approval for the appointment of three Independent Persons (Standards) until May 2030. He invited Councillor Duguid to comment, as he had been involved in the interview process.

Councillor Duguid praised the valuable contributions of the excellent candidates, and

expressed his pleasure at the calibre of applicants.

Having been proposed, seconded and voted upon, it was

RESOLVED that the following candidates be appointed to serve as Independent Persons (Standards), for a term of office expiring at the Annual Council Meeting in May 2030.

- Mr Stephen Beard (re-appointed)
- Mr Phillip Jones
- Mr Shawn Lewis

106 APPOINTMENT OF MEMBERS TO THE INDEPENDENT REMUNERATION PANEL

The Chairman then introduced a report seeking the appointment of three Independent Members to the Independent Remuneration Panel until May 2030. He again invited Councillor Duguid to comment.

Councillor Duguid reiterated earlier comments regarding the quality of the applicants, and expressed his thanks for a positive interview process.

Having been proposed, seconded, and voted upon, it was

RESOLVED that the following candidates be appointed to serve as Members of the Independent Remuneration Panel, for a term of office expiring at the Annual Council Meeting in May 2030.

- Mr Richard Quirk (re-appointed)
- Mrs Deborah Barker-Overton
- Mr Phillip Beisty

107 TO CONSIDER THE GRANTING OF A DISPENSATION FOR AN ELECTED MEMBER

The Chairman introduced a report seeking a further dispensation under the Local Government Act 1972 to approve the non-attendance of Councillor Liz Clews at a meeting within a six-month period. He highlighted the appendix to the report contained information which was considered to be exempt under Section 100 (A)(4) of the Local Government Act 1972, and from the Chair proposed that public and press be excluded from the meeting in order for Members to discuss the information provided. Having been seconded and voted upon, it was

RESOLVED that under Section 100 (A)(4) of the Local Government Act 1972, the public and press be excluded from the meeting for the following item of business on the grounds that it involved the likely disclosure of exempt information as defined in paragraphs 1 and 2 of Part 1 of Schedule 12A of the Act.

Note: The meeting entered closed session at 8.47pm and re-entered open session at

9.19pm

The Chairman confirmed the proposal to accept the dispensation had been proposed and seconded. On taking the vote it was

RESOLVED that

- a) having considered the circumstances of non-attendance, the reason(s) for Councillor Liz Clews non-attendance at meetings ("Dispensation") be approved. The Dispensation be given, under Section 85(1) of the Local Government Act 1972 that Councillor Liz Clews shall continue to be a Member of the Council (up until 12 November 2026); and
- b) the matter be brought back to full Council before 12 November 2026.

The meeting concluded at 9.21 pm.

Chairman

Agenda Item 10a



Annual Council Report

11 May 2026

Subject: Annual Review of the Constitution – Position Update and Ongoing Work

Report by:

Monitoring Officer

Contact Officer:

Lisa Langdon
Lisa.Langdon@west-lindsey.gov.uk

Purpose / Summary:

This report sets out a position statement in respect of the work undertaken on the Constitution during 2025/26 and also details further ongoing work required to the Constitution in coming months. This report has been considered by the Governance and Audit Committee

RECOMMENDATION(S):

FOR FULL COUNCIL

- 1) That Members note the work and updates which have been made to the Constitution throughout 2025/2026, including the Revised Financial Procedure Rules and Revised Contract and Procurement Rules, as set out Appendix 1 and 2 of this report**
- 2) That Members note the further revisions required to the Constitution in forthcoming months (as set out in section 3 of this report) which will be the subject of further reports**

IMPLICATIONS

Legal:

The Council is required by law to prepare, and keep up to date, the Constitution (Section 9P Local Government Act 2000 as amended).

West Lindsey's Constitution commits to a review being done at least annually

Financial :

There are no financial implications associated with this report

Staffing :

There are no staffing implications arising from this report. The work is primarily conducted by the Monitoring Officer, Deputy Monitoring Officer with the senior officers on the Management team being regularly updated.

Equality and Diversity including Human Rights :

It is imperative that when dealing with all governance issues, people are treated equally and fairly. The Monitoring Officer, Deputy Monitoring Officer and wider team are aware of Equality legislation and ensure that equality and diversity is considered and applied as appropriate at all times.

Data Protection Implications :

There are no direct data protection implications associated with this report. Good governance should ensure that the GDPR 2016 and associated regulations and guidance are complied with,

Climate Related Risks and Opportunities:

n/a

Section 17 Crime and Disorder Considerations:

n/a

Health Implications:

n/a

Title and Location of any Background Papers used in the preparation of this report :

Risk Assessment :

Good governance and up to date practices and procedures for decision making ensure the organisation is legally compliant, whilst protecting against ultra vires decisions. Further, good governance is essential for ensuring value for money and protecting against reputational damage, and financial loss. Ensuring good governance at all levels protects the organisation from external claims and challenges. "Failure to comply with legislation" and "inability for the Council's governance to support quality decision making" are strategic risks for the organisation and these risks are considered by the Management Team prior to consideration at the Governance and Audit committee. The Constitution is Council's key document for governance and powers, and compliance with the Constitution is essential to keep the organisation safe and legally compliant.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

1 Introduction

- 1.1 Under Section 9P of the Local Government Act 2000, Councils are legally required to prepare, adopt, and keep up to date a Constitution, which acts as the Council's rulebook and ensures it operates transparently, efficiently, and lawfully.
- 1.2 West Lindsey's Constitution commits to a review being done at least annually, and the outcome being reported to the Annual Meeting of Council.
- 1.3 West Lindsey District Council during 2025/2026 has seen significant changes to both its Senior Leadership Team and its Political Administration. As a result, many areas of the Constitution have already been updated and revised within the year.
- 1.4 Notification has been received from Government regarding planned statutory changes to Planning Committee delegations, which will require further changes to the Constitution, the Planning Committee Terms of Reference, and officer delegations. This further work will be carried out once the legislative framework is clear and reports brought before Members for consideration.
- 1.5 Following approval to move to a three Policy Model, terms of reference for the three new policy Committees have been produced and those terms of reference are being presented again to Full Council for consideration in a separate report. It is further anticipated that a mid-year review of these terms of reference is conducted.
- 1.6 Work is also nearing completion regarding the wider management team structure which will require changes to the officer delegations, such changes will be presented to Members in the usual way for consideration.

2 Work Undertaken with 2025/26

- 2.1 During 2025/2026 many areas of the Constitution have been updated and revised within the year, reflecting changes within the management of the organisation, the political leadership and to strengthen governance and member/officer relations.
- 2.2 The areas reviewed and approved in-year are : -
 - Introduction of new and improved Local Code of Corporate Governance approved on 25 November 2025 and now displayed on the Council's website [view here](#) and linked to the Council's Constitution.
 - An updated Member Officer Protocol following updated guidance from the Local Government Association approved on 13 April [view here](#)

- Revisions to Standing Orders as recommended by the Governance and Audit Committee - [Link to report](#)
 - the decision to move to three policy Committees, aligned to the Corporate Plan themes. [Link to report](#)
- 2.3 The Governance and Audit Committee also received and approved both updated Financial Procedure Rules and Procurement and Contract Procedures at their meeting on 21 April 2026. [Link to report](#) and [Link to Report](#) The updated Rules are presented here at Appendix 1 and 2 for completeness.
- 2.4 Members are asked to note the work undertaken over the previous year in respect of the Constitution to date.

3 Pending Work

- 3.1 Revisions will be required to be made to the Officer Scheme of Delegation (contained in Section IV of the Constitution). These changes will be presented following completion of the wider management structure review.
- 3.2 Notification has also recently been received that the Government plans to make statutory changes to the delegations for Planning Committees, which will need detailed consideration, and it is expected these will require implementation before 30 September 2026.

4. Recommendations

- 1) That Members note the work and updates which have been made to the Constitution throughout 2025/2026, including the Revised Financial Procedure Rules and Revised Contract and Procurement Rules, as set out Appendix 1 and 2 of this report**
- 2) That Members note the further revisions required to the Constitution in forthcoming months (as set out in section 3 of this report) which will be the subject of further reports**



WEST LINDSEY DISTRICT COUNCIL

FINANCIAL PROCEDURE RULES

Approved by Governance and Audit Committee May 2026

INTRODUCTION

1 FINANCIAL PROCEDURE RULES

1.1 Strong financial controls are vital within any public sector organisation. The use of public funds must be transparent and both Members and officers must be held accountable for how public funds are used. These Financial Procedure Rules have been formulated having particular regard to the following –

- The financial framework operating within the Council.
- Promoting the accountability of officers for the financial resources required to deliver their services.
- Compliance with all current legislative financial standards and Codes of Practice.
- A culture of openness and scrutiny.
- The promotion of a culture of managerial flexibility within the statutory and organisational constraints of a public sector body.

1.2 The Financial Procedure Rules establish the system of control for financial decisions. They are an integral part of the Council's Constitution. The rules reflect the responsibilities arising from being entrusted with public money.

1.3 The Financial Procedure Rules consist of 2 parts:

- The first part defines the roles of Councillor and officers and sets the framework within which the Rules operate;
- The second part contains the overarching regulations, and provides the detailed 'Rules' on how those regulations are implemented.

1.4 A series of detailed guidance notes and practice support the Financial Procedure Rules. Whilst the detailed guidance is regularly updated, where there is any difference between the Financial Procedure Rules and the detailed guidance, the Finance Procedure Rules have precedence in all cases.

2 STATUS OF FINANCIAL PROCEDURE RULES

2.1 The Council must conduct its business efficiently and ensure it has sound financial management policies in place, including arrangements to monitor compliance. The Council's statutory Chief Finance Officer is also charged with ensuring that proper financial management processes are in place.

Financial Procedure Rules, together with the Budget and Policy Framework Procedure Rules, provide the basis for managing the Council's financial affairs and are part of the Council's Constitution. They apply to every

Councillor and officer of the Council and to anyone acting on its behalf. They must be followed by all of the Council's staff and all consultants or technical officers from outside the Council employed or otherwise engaged by the Council. Failure to comply may lead to disciplinary action being taken by the Council.

- 2.2 The Council's Scheme of Delegation will be taken account of in all matters relevant to these procedure rules.

PART ONE – CONTEXT, ROLES AND RESPONSIBILITIES

1 FINANCIAL MANAGEMENT

1.1 Financial management covers all financial accountabilities in relation to the running of the Council, including the budget and policy framework and in accordance with the Financial Management Code of Practice.

1.2 The processes of financial management involve:

- Complying with statutory requirements;
- Ensuring that the Council receives value for money;
- Development and approval of protocols, standards and financial plans (including the revenue and capital budgets);
- Implementing policies, protocols and standards;
- Monitoring compliance;
- Maintaining records;
- Reporting and providing advice;
- Specific financial techniques and functions e.g. virement, year end balances, Statements of Account.

1.3 All Councillors and officers must abide by the highest standards of probity in dealing with financial issues. This is achieved by ensuring everyone is clear about the standards to which they must work and the controls in place to check that the standards are met. The Financial Procedure Rules must be kept up to date and consistently applied by all Councillors and officers.

2 FINANCIAL ADVICE

2.1 Sound financial advice is fundamental to ensuring the maintenance of basic standards of financial management. Only persons qualified to do so should provide such advice.

2.2 Persons giving financial advice must have been authorised to do so by the Chief Finance Officer.

2.3 The Chief Finance Officer has the right to attend all meetings of the Council, committees and sub-committees, working groups, boards or other forums where decisions or recommendations potentially having financial implications may be taken. This is often discharged through officers within the Finance function.

2.4 All reports contain risk management (including financial risks) and financial implications sections, the contents of which must be agreed with the Chief Finance Officer (or other officer authorised by him/her), prior to submission to the Management Team, Committees, or other forums where decisions will be made.

3 ACCOUNTING POLICIES

3.1 'The Code of Practice on Local Council Accounting in the United Kingdom: (the Code) requires the Council to declare, in the form of accounting policies, how they treat specific items within the annual accounts. These policies take account of current accounting concepts and standards. The Accounting Policies can be found in the Annual Statement of Accounts.

3.2 Key elements of accounting policies are that:

- Systems of internal control must be in place that ensure that financial transactions are lawful;
- Accounting policies must be applied consistently;
- Proper accounting records must be maintained;
- Financial statements must present fairly the financial position of the Council and its expenditure and income.

4 INTERNAL CONTROL

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

4.2 The Chief Finance Officer is responsible for advising on effective systems of internal control, an essential part of which is the Internal Audit function. These arrangements ensure compliance with all applicable statutes and regulations, and other relevant statements of best practice. They ensure that public funds are properly safeguarded and used economically, efficiently, and in accordance with the statutory and other authorities that govern their use.

4.3 **Directors/Assistant Chief Executives** must establish sound arrangements for planning, appraising, authorising and controlling their operations in order to achieve continuous improvement, economy, efficiency and effectiveness and for achieving their financial performance targets.

4.4 Key controls must be reviewed annually and the outcome reported in an Annual Governance Statement commenting on the effectiveness of the systems of internal control and corporate governance.

5 AUDIT REQUIREMENTS

5.1 The Accounts and Audit Regulations 2003 (Regulation 6) require that "a relevant body (i.e. a local Council) shall maintain an adequate and effective system of internal audit of its accounting records and of its system of internal control in accordance with the proper internal audit practices".

5.2 The Council is subject to an independent external audit of its accounts. The basic duties of the external auditor are governed by **the Local Audit and Accountability Act 2014.**

5.3 The Council may, from time to time, be subject to audit, inspection or investigation by other external bodies such as HM Revenues and Customs,

who have statutory rights of access.

- 5.4 The Chief Finance Officer has overall responsibility for Internal Audit throughout the Council, whilst the Governance and Audit Committee oversees the performance and effectiveness of Internal Audit.

6 ROLES AND RESPONSIBILITIES

6.1 Role of the Council

The Council's functions include the following:

- Adopting and changing the Constitution;
- Approving or adopting the policy framework (including the Corporate Plan);
- Approving the budget;
- Approving the Treasury Management Strategy (including the Borrowing, Investment and MRP Strategy, and Prudential Indicators);
- Setting the Council Tax.
- Setting Fees and Charges

6.2 **Thriving Council Committee**

The **Thriving Council Committee** main functions are:

- To formulate (but not adopt or approve): (a) the Policy Framework, (b) the Budget; and (c) the Council's objectives and priorities.
- The control and management of resources including land, property, finance and staff to further the Council's objectives.
- Delegated responsibility for the approval of in year changes to existing Fees and Charges

The **Thriving Council Committee** makes key day to day decisions and recommendations on policy and budgetary matters.

6.3 The role of the **Governance and Audit Committee** is to:

- To approve amendments to the Financial Procedure Rules and Contract Procedure Rules as set out in the Constitution.
- To monitor the operation of the Council's Constitution and keeping its terms under review.
- To consider and make recommendations on proposals to make changes to the Constitution prior to its consideration by the Council.
- To agree and update regularly the Council's Local Code of Governance

- Consider the Council's Statement of Accounts;
- Approve the Council's internal audit strategy;
- Review internal audit reports and recommend appropriate actions in response to issues raised;
- Consider the reports of external audit and inspections agencies;
- Monitor and review the Council's risk management arrangements;
- Monitor and review the Council's assurance statements;
- Be responsible for ensuring the effective scrutiny of the Treasury Management strategy and policies.

6.4 **The Section 151 Officer is the officer designated by the Council and is therefore referred to throughout these procedure rules as the Chief Finance Officer).**

The Chief Finance Officer has statutory duties in relation to the financial administration and stewardship of the Council. The statutory duties arise from:

- Local Government Act 1972 (Section 151);
- Local Government Finance Act 1988;
- Local Government and Housing Act 1989;
- Local Government Act 2003;
- Accounts and Audit Regulations 2003.

These statutory responsibilities cannot be overridden or be subject to direction by the Council.

The Chief Finance Officer is responsible for:

- Ensuring the proper administration of the Council's financial affairs;
- Determining and agreeing the accounting procedures and records for the Council
- Setting the financial management standards and monitoring compliance with them;
- Reporting on the adequacy of reserves and the robustness of the budget estimates when the annual budget is being considered;
- Ensuring the existence of a medium-term financial plan,
- Ensuring proper professional practice is adhered to and acting as head of profession in relation to the standards, performance and development of finance officers throughout the Council;
- Advising on the key strategic controls necessary to secure sound financial management;
- Preparing revenue and capital budgets in conjunction with **Directors/Assistant Chief Executives:**
- Ensuring that appropriate financial management information is available;
- Maintaining strong financial management underpinned by effective financial controls;
- Contributing to corporate management and leadership;

- Supporting and advising democratically elected representatives;
- Supporting and advising officers in their operational roles;
- Leading and managing an effective and responsive financial service.
- Providing an efficient and effective Treasury Management function.

Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer in consultation with the Monitoring Officer, to inform all Members and the External Auditor if the Council or one of its officers:

- Has made, or is about to make, a decision which involves incurring unlawful expenditure;
- Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
- Is about to make an unlawful entry in the Council's accounts;
- If it appears to the Chief Finance Officer that the expenditure of the Council incurred (including the expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

If a Section 114 notice is issued, the full Council must meet within 21 days to consider the notice.

Section 114 of the 1988 Act also requires:

- The Chief Finance Officer to nominate a properly qualified officer to deputise should he/she be unable to perform the duties under Section 114 personally;
- The Council to provide the Chief Finance Officer with sufficient staff, accommodation and other resources - including legal advice where this is necessary - to carry out the duties under Section 114.

The Chief Finance Officer is responsible for maintaining a continuous review of the Financial Procedure Rules and submitting to the Council any additions or changes. He/she is responsible for issuing advice and guidance to underpin the Rules that Councillors, officers and others acting on behalf of the Council are required to follow, and must approve the content of all such guidance and any amendments, prior to their adoption. The Chief Finance Officer must be consulted in respect of all reports which contain financial implications to elected Members. Regulatory reports such as Planning and Licensing do require such sign off.

6.5 The Monitoring Officer

The Monitoring Officer is responsible for promoting and maintaining high standards of conduct, including conduct in relation to financial issues, by both Councillors and officers. In conjunction with the Chief Finance Officer he/she is responsible for advising the Committees or the full Council about whether a decision, or intended decision, is likely to be considered contrary to, or not wholly in accordance with, the Council's budget. Such decisions might include:

- Initiating a new policy without specific budget approval;
- Committing expenditure in future years above the approved budget level;

- Incurring expenditure in future years without proper approval of virement;
- Causing total expenditure to increase beyond a specified level.

The Monitoring Officer must be consulted in respect of all reports to elected members.

6.6 Internal Audit Manager (the service is currently delivered by RSM)

The Internal Audit Manager manages the internal audit function in the Council. CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom describes internal audit as:

“An assurance function that provides an independent and objective opinion to the organisation on risk management, control and governance 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.”

The Internal Audit Manager also has a role in advising managers in relation to risk and control issues such as appropriate controls in new projects/development.

Internal Audit are to be informed of all proposed changes to computer or other systems prior to implementing the changes.

Internal Audit are to have access to all records relating to their activities and to any Council premises or land.

Internal Audit may seek explanations or require an employee to produce assets under their control.

6.7 **Directors/Assistant Chief Executives** are responsible for ensuring that all officers are aware of the existence of, and have access to, the content of these Rules and other internal regulatory documents and that they comply with them. In particular they shall:

- Ensure that a Scheme of Delegation has been established for all Service Areas. The Scheme of Delegation should identify officers authorised to act on the **Directors/Assistant Chief Executives** behalf in respect of payments, income collection and the requisitioning of goods and services.
- Promote the financial management standards set by the Chief Finance Officer and monitor adherence to them, liaising as necessary with him/her;
- Promote sound financial practices in relation to the standards, performance and development of officers;
- Ensure compliance with the Financial Procedure Rules and associated manuals;
- Ensure that all Service Financial Procedure Manuals, and amendments thereto, are approved by the Chief Finance Officer before adoption;
- Ensure officers are aware of their responsibilities for devising and implementing systems of internal control;
- Maintain a written record where decisions have been delegated or devolved to other responsible officers;
- Consider reports and make a written response to the Chief Finance Officer,

within 15 working days of receipt;

- Implement recommendations agreed by Committee or Council:
- Report to the Chief Finance Officer and the Management Team any rejected recommendations:
- Ensure that Members are advised of the financial implications of all proposals and that the financial implications have been agreed by the Chief Finance Officer;
- Provide the Chief Finance Officer with such information and explanations as the Chief Finance Officer feels is necessary to meet with his or her obligations under the Constitution.
- Provide all the information that is requested from them in accordance with the agreed budget timetable.
- Take reports to Committee to gain approval for service improvements and capital investments..
- Comply with all aspects of the Financial Procedure Rules and the financial framework when working with the Chief Finance Officer to set budgets.
- To consult with the Chief Finance Officer and seek approval on any matter liable to affect the Council's finances materially, before any commitments are incurred.
- Inform the Chief Finance Officer of suspected fraud, corruption or irregularities;
- Ensure appropriate training of Officers with financial or budget responsibilities.
- The Chief Finance Officer will ensure that a report will be presented to the Governance and Audit Committee on progress against the Internal Audit Programme

6.8 **All Councillors and officers** have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, properly authorised, provides value for money and is correctly recorded in line with Council policies.

7 FAILURE TO COMPLY

7.1 Failure to comply with the Financial Procedure Rules:

- Is a breach of the Code of Conduct for Councillors and may result in referral to the **Standards Committee**.
- Is a breach of the Code of Conduct for Officers that is covered by the Council's Disciplinary Rules.

7.2 Councillors must report any apparent breach of the Financial Procedure Rules to the Head of Paid Service. Officers must report apparent breaches to an appropriate **Directors/Assistant Chief Executive** or the Internal Audit Manager. The **Director/Assistant Chief Executive** or Internal Audit Manager should report breaches of these Rules to the Chief Finance Officer and the Monitoring Officer.

PART TWO – FINANCIAL PROCEDURE RULES

REGULATION 1 – FINANCIAL PLANNING

- 1.1 Financial Planning Policy Framework
- 1.2 Preparation of the Corporate Plan
- 1.3 The Financial Strategy and Medium Term Financial Plan
- 1.4 The Capital Investment Strategy and Asset Management Plan (AMP)
- 1.5 The Treasury Management Strategy
- 1.6 The Revenue Budget and the Capital Programme
- 1.7 Service Improvement Plans

REGULATION 2 – CAPITAL

- 2.1 The Capital Programme
- 2.2 Determining the Capital Programme
- 2.3 Amendments to the Capital Programme
- 2.4 Capital Monitoring

REGULATION 3 – REVENUE

- 3.1 The Revenue Budget
- 3.2 Revenue Resources
- 3.3 Determining the Revenue Budget
- 3.4 Budget Monitoring
- 3.5 Amendments to the Revenue Budget - Virements
- 3.6 Unavoidable Extraordinary Expenditure
- 3.7 Contract and Windfall Savings
- 3.8 Fees and Charges
- 3.9 Internal Charging
- 3.10 Reserves

REGULATION 4 – ACCOUNTING RECORDS

- 4.1 Accounting Records
- 4.2 Annual Statement of Accounts
- 4.3 Retention of Accounting and Financial Documents

REGULATION 5 – RISK MANAGEMENT AND RESOURCE CONTROL

- 5.1 Risk Management and Insurance
- 5.2 Preventing Fraud and Corruption
- 5.3 Gifts and Hospitality
- 5.4 Assets
- 5.5 Treasury Management and Leasing
- 5.6 Staffing
- 5.7 Unofficial Non-Council Funds
- 5.8 Internal Audit
- 5.9 Money Laundering

REGULATION 6 – ACCOUNTING SYSTEMS AND PROCEDURES

- 6.1 Accounting Systems and Procedures
- 6.2 Banking Arrangements
- 6.3 Salaries, Wages, Pensions and Other Emoluments
- 6.4 Creditors and Debtors
- 6.5 Contracts
- 6.6 Ordering
- 6.7 Paying For Goods
- 6.8 Claims for Expenses
- 6.9 Petty Cash/Imprest Accounts
- 6.10 Income & Cash Handling
- 6.11 Taxation
- 6.12 Trading Accounts
- 6.13 Credit/Purchasing Cards
- 6.14 Change Floats

REGULATION 7 – EXTERNAL ARRANGEMENTS

- 7.1 Introduction
- 7.2 Partnerships
- 7.3 Companies, Joint Ventures and Other Associations
- 7.4 External Funding/Grants
- 7.5 Work for Third Parties

REGULATION 8 – ENVIRONMENTAL ISSUES

- 8.1 Introduction

Appendix 1 – Summary of Financial Responsibilities Appendix 2 –
Retention of Accounting and Financial Documents
Appendix 3 – Definitions
Appendix 4 – Financial Limits

1 REGULATION 1 - FINANCIAL PLANNING

1.1 FINANCIAL PLANNING POLICY FRAMEWORK

1.1.1 Council is responsible for agreeing the Council's policy framework and budget, which will be proposed by the **Thriving Council Committee**.

1.1.2 The Council's Policy Framework includes various service and core plans and strategies. All such plans and strategies must be consistent with the Council's Financial Strategy and Medium Term Financial Plan, or indicate their reliance on resources not yet approved or secured by the Council.

1.1.3 The key elements of the financial planning process are:

- Corporate Plan;
- The Financial Strategy and Medium Term Financial Plan;
- The Capital Investment Strategy and Asset Management Plan;
- The Treasury Management Strategy;
- The Revenue Budget and the Capital Programme;
- Service Delivery and Business Plans

1.2 PREPARATION OF THE CORPORATE PLAN

1.2.1 The Head of Paid Service is responsible for proposing the Corporate Plan to **Thriving Council Committee** for consideration before submission to the full Council for approval. It will contain a statement of the priorities of the Council, and will be supported by a number of strategies and policies.

1.2.2 The Council require that each planned item of expenditure, whether revenue or capital, is intended to further one or more of the Council's stated priorities or, if that is not the case, is required to discharge a specific statutory obligation on the Council.

1.2.3 The thematic business plans reflect the deliverable actions the Management Team will take to support the delivery of the Corporate Plan objectives.

1.3 THE FINANCIAL STRATEGY AND MEDIUM TERM FINANCIAL PLAN

1.3.1 The Chief Finance Officer is responsible for recommending the Financial Strategy to the Council and for preparing a Medium Term Financial Plan (MTFP), covering at least five years and updated at least annually for consideration by the **Thriving Council Committee** and approval by the Council. The Strategy and the MTFP will be consistent with, and designed to further the achievement of, the Council's priorities.

1.3.2 The Financial Strategy sets out the Council's objectives for, and principles adopted in, the management of its financial position. It includes Council Tax levels, the overall position for the Council's reserves and balances, and funding, investment and risk considerations.

1.3.3 The MTFP:

- sets out how the Council's performance plans can be resourced in both capital and revenue terms;
- identifies how resources are to be re-allocated over time and what the Council's priorities are for resource allocation;
- Other aspects of financial management may also be included in the MTFP e.g. levels of balances, reserves and provisions.

1.3.4 The MTFP that turns the Strategy into practice must be prepared for at least a five year period. This is updated throughout the year as events and the budget timetable dictate.

1.3.5 Key Controls

The key controls are:

- It covers a number of forward years and is approved annually;
- It is monitored and updates are reported to **Thriving Council Committee** during the year;
- It is clearly linked and aligned to the Corporate Plan;
- It is based on a sustainable financial position and approved policies.

1.4 **THE CAPITAL INVESTMENT STRATEGY AND ASSET MANAGEMENT PLAN (AMP)**

1.4.1 The Chief Finance Officer is responsible for ensuring that a Capital Investment Strategy and Asset Management Plan are integrated into the Medium Term Financial Plan. They will be updated annually for consideration by the **Thriving Council Committee** and approval by the Council.

1.4.2 Key elements of the Strategy:

- Ensures investments meet our Corporate Plan objectives
- Incorporates the requirements of the Strategic Asset Management Plan
- Enables the development of a Capital Investment Programme over the medium term (5 years)
- A framework which will identify priorities for the use of resources for investment.
- Decisions are based on sound business cases.
- Risks are identified and mitigated where possible
- Directly links to the Treasury Management Strategy ensuring an affordable and sustainable Capital Investment Programme in adherence to legislation and the Prudential Code.
- Informs the Medium Term Financial Plan by identifying the revenue impacts of investment decisions.
- Incorporates an annual review to ensure the programme still meets our priorities.
- Considers innovative solutions to funding.

1.4.3 Key Controls

The key controls are:

- They are clearly linked and aligned to the Corporate Plan;
- They provide a framework for the review and management of existing and future assets (the AMP);
- They provide a medium-term investment programme linked to the medium-term financial strategy;
- They are reviewed at least annually and reported to **Thriving Council Committee**.

1.5 THE TREASURY MANAGEMENT STRATEGY

1.5.1 The Chief Finance Officer is responsible for ensuring that the requirements of the Local Government Act 2003 and the CIPFA Treasury Management Code are met, and the Council has regard to the Prudential Code. This requires that Prudential Indicators are set for the following three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. It also requires that the Council's policies for managing its investments give due priority to the security of those investments over liquidity and yield. This will be updated annually and scrutinized by the Governance and Audit Committee prior to approval by the Council

1.5.2 Key Controls

The key controls are:

- Scrutiny of the Treasury Management Strategy by the Governance and Audit Committee.
- Approval by full Council of the Treasury Management Strategy (including Borrowing and Investment Strategies, the Minimum Revenue Provision Policy and Prudential Indicators for the following three years, in addition to setting an Authorised Limit and Operational Boundary to ensure affordable borrowing);
- Regular monitoring of Prudential Indicators;
- The operation of Treasury Management Practices (TMP's) and Treasury Management Practice Schedules.

1.6 THE REVENUE BUDGET AND THE CAPITAL PROGRAMME

1.6.1 These are considered in depth under Regulations 2 and 3.

1.7 SERVICE DELIVERY and BUSINESS PLANS

1.7.1 **Directors/Assistant Chief Executives** are responsible for the preparation of these plans that reflect the Council's priorities as shown in the Corporate Plan. They must be produced in conjunction with the Capital and Revenue Budgets and each of these plans must support the others.

1.7.2 Key Controls

The key controls are:

- All relevant plans are produced and that they are consistent;
- Plans are produced in accordance with statutory requirements;

- All plans reflect the Council's Financial Strategies and vice-versa;
- Timetables are met;
- All performance information is accurate, complete and up to date;
- Improvement targets are meaningful, realistic and challenging;
- Corporate, Service Delivery and Business Plans and the budget are all produced from an integrated timetable and an agreed base position.

2 REGULATION 2 – CAPITAL

2.1 THE CAPITAL PROGRAMME

2.1.1 The Chief Finance Officer is responsible for preparing, as a minimum, a three year capital programme that is integrated within the MTFP and reporting expenditure and funding implications of the programme to **Thriving Council Committee** for consideration. The **Thriving Council Committee** will make recommendations to the Council, who will approve the five year capital programme.

2.2 DETERMINING THE CAPITAL PROGRAMME

2.2.1 The Management Team is responsible for the initial consideration of capital spending proposals and the comparative ranking by priority of these proposals.

2.2.2 The Council complies with the requirements of the local government Prudential Code for capital. Careful consideration must be given to needs, alternatives and the ongoing revenue implications of potential capital projects

2.2.3 The de minimis level for Capital Expenditure and receipts is £10,000. Capital items costing up to £10,000 will be charged as revenue expenditure in the Council's accounts.

2.2.4 The ranking process is based on the scoring from the completed Business Plans and Business Case documentation and guidance as approved by the Chief Finance Officer from time to time.

2.2.5 **Directors/Assistant Chief Executives** are responsible for submitting the Capital Bids as part of the Business Planning process, complying with the guidance issued by the Chief Finance Officer.

2.2.6 The Capital Programme shall include the gross cost of, and sources of funding for, schemes where the Council assembles the finance on behalf of a third party and so incurs no potential liability in respect of funding or project delivery. Such schemes may not result in any asset retained by the Council. **Directors/Assistant Chief Executives** must ensure that these arrangements are reported to the **Thriving Council Committee** stating the nature of the arrangements, the participants in the process and the sources of finance. The report must clearly state the projected expenditure and income for each financial year.

2.2.7 The Chief Finance Officer will recommend to **Thriving Council Committee** the Capital Budget and funding in accordance with the Council's prudential indicators and CIPFA's Prudential Code.

2.3 AMENDMENTS TO THE CAPITAL PROGRAMME

2.3.1 Any mid-year amendment to the Capital Programme as last approved by the Council must be approved by the **Thriving Council Committee** in any cases where:

- A new scheme is proposed to be added to the programme, including those funded entirely by external grants and contributions;
- A scheme is to be deleted from the capital programme;
- The total cost of an existing scheme is to be amended;
- A carry forward of capital resources is proposed.

2.3.2 The relevant Director/Assistant Chief Executive and the Chief Finance Officer, must approve any mid-year amendment to the approved Capital Programme, before a report is submitted to Thriving Council Committee. This also applies to carry forward requests i.e. where the amendment involves a change in the timing of the spending over the life of the project, but there is no change in the total cost or funding.

2.3.3 The Head of Paid Service may take decisions in an emergency, subject to the delegation and budget framework provisions of the Constitution, in consultation with the Chief Finance Officer.

2.3.4 With the exception of emergency decisions, expenditure must not be incurred or committed on any capital scheme until the **Thriving Council Committee** or Council has given approval. Reports to **Thriving Council Committee** will be prepared and presented before any work starts and on completion of a project. Additional reports would be required at the tender stage, when preparing the capital programme, or otherwise during the project, if there was a significant actual or projected change in the cost of the project.

2.3.5 Expenditure should not be incurred until funding is in place. For external funding, this means that a formal approval of funding has been received rather than a conditional offer or a bid that has been given provisional approval.

2.4 CAPITAL MONITORING

2.4.1 Budget monitoring will be carried out in accordance with guidance issued by the Chief Finance Officer. This guidance will lay down the Council's requirements in respect of:

- Frequency of reporting;
- The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);

- The recipients of budget monitoring reports (such as the Management Team or **Thriving Council Committee**);
- The linkages with approved outputs.

2.4.2 For each scheme that is approved the relevant **Director/Assistant Chief Executive** will appoint a Project Manager, who will be responsible for the scheme, including budget accountability. This includes monitoring progress (financial and otherwise) of the scheme and managing the scheme in accordance with the Council's Programme and Project Management methodology.

2.4.3 The relevant **Director/Assistant Chief Executive** must notify in writing the Chief Finance Officer if there is any anticipated "slippage" of a scheme that will affect the allocation of resources over future financial years. Any loss of external funding arising from slippage must be reported to **Thriving Council Committee** and approval sought for the alternative funding required or other corrective action.

2.4.4 Where in-year spending is likely to exceed the profiled budget and this has an impact on the financial year, this must be reported by the **Director/Assistant Chief Executive** to the Chief Finance Officer who will then review the overall capital financing arrangements for that year.

2.4.5 Where the total cost exceeds, or it is expected that the total cost of a scheme will exceed the budget approved in the Capital Programme, this must be reported to the Chief Finance Officer by the **Director/Chief Executive** as soon as possible. In the first instance, overspends will fall on the relevant service area revenue budget, unless alternative funding is identified. In respect of any anticipated overspending in excess of £10,000 or 20% whichever is the lesser, the approval of **Thriving Council Committee** must be sought.

2.4.6 **Directors/Assistant Chief Executives** must notify the Chief Finance Officer upon the offer of or receipt of grant awards or any other offer of support of any type for capital expenditure. Capital receipts will be regarded as corporate resources and may only be ring-fenced to schemes on the express approval of the **Thriving Council Committee**.

2.4.7 Key Controls

The key controls are:

- Approval by the full Council for the Capital Programme;
- A Business case is completed for all schemes to be included in the capital programme;
- A prioritisation process in accordance with the Capital Investment Strategy and corporate priorities;
- A Project Manager is responsible for each capital project (delivery and budget);
- Appropriate project management techniques are used and project managers are trained to carry out their responsibilities;

- Contract Procedure Rules are adhered to at all times;
- The requirements imposed by funding bodies are followed;
- Monitoring and reporting requirements on schemes are implemented.

3 REGULATION 3 - REVENUE

3.1 THE REVENUE BUDGET

3.1.1 The Council will agree the Medium Term Financial Plan (MTFP), to be updated annually. The MTFP will include the Revenue Budget for the coming year plus forecasts for at least the next two subsequent years. Revenue resources must be aligned to the corporate objectives of the Council. Budgets are an important part of the corporate planning process since they allocate resources to provide agreed levels of service.

3.1.2 The budget will be published in the Council's annual Budget Book. The approved Revenue Budget may be amended during the year in compliance with these Financial Procedure Rules.

3.2 REVENUE RESOURCES

3.2.1 Funding for revenue will come from local taxation, government grants, fees and charges and calls on revenue reserves and balances. **Capital resources (other than reserves specifically set up by earmarking revenue funds for spending on capital) cannot be used to fund revenue expenditure.**

3.2.2 Key Controls

The key controls are:

- Resources are acquired in accordance with the law and using an approved authorisation process (i.e. the budget setting process);
- Resources are used only for the purpose intended, to achieve the approved policies and objectives, and are properly accounted for;
- Professional guidance in relation to the adequacy of reserves and minimum level of balances is followed;
- The budget, which sets out how the Council is resourced, is approved annually by the Council;
- The MTFP ensures year on year sustainability of resources are considered in setting spending plans.

3.3 DETERMINING THE REVENUE BUDGET

3.3.1 The Chief Finance Officer is responsible for ensuring that the MTFP and Budget are prepared and submitted for approval by the Council, upon the recommendation of the **Thriving Council Committee**, on or before the statutory date for such approval. The adoption of the budget by the Council shall be accompanied by a resolution as to the level of Council Tax required for the coming financial year in order to sustain the budget. The

MTFP should set out forward projections of council tax increases for at least the next **five years of the MTFP period**.

- 3.3.2 The Chief Finance Officer recommends the overall quantum of revenue resources available to the Council, based on potential increases in the Council Tax, affordable calls on reserves, and best estimates of grant income. The Chief Finance Officer shall advise as to what would constitute a prudent and necessary minimum level of uncommitted balances/reserves for the Council to retain, and also as to whether the budget being proposed is consistent with such a requirement. In forming such a judgement, the Chief Finance Officer shall have regard to available guidance.
- 3.3.3 The Council agrees an overall MTFP and budget that matches its available resources with corporate priorities and statutory requirements.
- 3.3.4 The revenue budget agreed by Council will as a minimum allocate spending to:
- Each service area showing the gross spending and income and net budget;
 - Each levy;
 - The net cost of borrowing.
- 3.3.5 **Directors/Assistant Chief Executives** must ensure that all fees and charges are reviewed as part of the annual budget process in line with the Fees, Charges & Concessions Policy (see section 3.8).
- 3.3.6 The level of reserves is reviewed annually in line with the financial strategy and Medium Term Financial Plan and must be decided before the budget and the Council Tax can be fixed. Reserves are amounts set aside by the Council as a result of surpluses, deferred expenditure or policy decisions to 'save' towards future expenditure. Reserves can be either specific (earmarked) or general. The General Fund Reserve will be maintained at a minimum level agreed by **Thriving Council Committee** having regard to the advice of the Chief Finance Officer. The budget report to the Council will include a statement showing the estimated opening reserve balances for the year ahead, the addition to/withdrawal from balances, and the estimated year-end balance. Reference should be made as to the extent to which such reserves are to be used to finance recurrent expenditure.
- 3.3.7 The Chief Finance Officer will ensure –
- The co-ordination of requests for budgetary change to facilitate service improvements from **Directors/Assistant Chief Executives** and **Thriving Council Committee** resolutions.
 - The identification of available resources for service improvement.
 - That Members and officers are properly advised when preparing budgets and setting Council Tax
- 3.3.8 The Council's approved budget is published in a "Budget Book", which breaks down budgets into a budget for each service area within the clusters (**Thriving People, Thriving Places, and Thriving Council**).

3.3.9 Key Controls

The key controls are:

- Adoption of project management techniques;
- Clear and timely guidance from the Chief Finance Officer;
- Consistent format used across all service areas that reflects the relevant level of accountability of service delivery and enables consistency of comparison over time and with other local Councils;
- Effective timetable;
- Reflect the content of the Financial Strategy and Medium Term Financial Plan for the appropriate year;
- Be balanced, affordable and sustainable;
- Ensure that all reports to Management Team and Members (all Committees) are seen by the Chief Finance Office and all financial implications are agreed by the Chief Finance Officer;
- Amendments will be made to financial implications on reports as requested by the Chief Finance Officer;
- Prudent risk assessment of the possible implications in terms of both affordability and service delivery.

3.4 BUDGET MONITORING

3.4.1 Budget monitoring will be carried out in accordance with guidance issued by the Chief Finance Officer. This guidance will lay down the Council's requirements in respect of:

- Frequency of reporting;
- The format and content of reports (including the degree of detail, risk analysis undertaken and any corrective actions taken or proposed);
- The recipients of budget monitoring reports (such as the Management Team or **Thriving Council Committee**);
- The linkages with service performance monitoring.

3.4.2 Budget monitoring is an ongoing process, always under review and integral to the overall financial management of the Council. The Chief Finance Officer will present regular budget monitoring reports to **Thriving Council Committee**, at least on a quarterly basis.

3.4.3 **Directors/Assistant Chief Executives** will need to:

- Be fully aware of their respective budget detail and own the content.
- They will need to maintain a good knowledge of both the Purchasing and General Ledger modules of the Financial Management System.

- Be aware of all effects and influences, such as seasonal variations on their budgets.
 - Inform Financial Services of material budgetary issues that cannot be controlled within normal virement parameters.
- 3.4.4 The Chief Finance Officer will liaise with **Directors/Assistant Chief Executive** to help to identify savings and future needs. The Chief Finance Officer will also offer financial advice and guidance as well as innovative solutions to issues of a financial nature.
- 3.4.5 All senior officers need to be aware of those budgets that carry the most material risk and monitor these areas accordingly.
- 3.4.6 The Chief Finance Officer will ensure that appropriate financial information is available to **Directors/Assistant Chief Executive** so as to enable them to monitor their budgets and financial aspects of their Business Plans effectively.
- 3.4.7 **Directors/Assistant Chief Executives** are responsible for the financial resources contained in their budgets. Accountability brings with it the responsibility to inform the Chief Finance Officer of any budgetary issues. The Chief Finance Officer will provide a support mechanism to **Directors/Assistant Chief Executives** which will engender a culture of ownership and strong stewardship.
- 3.4.8 **Directors/Assistant Chief Executives** will ensure that all reports to Members or the Management Team are seen by the Chief Finance Officer, evidenced and contain clear and accurate financial implications. Any amendments to the financial implications requested by the Chief Finance Officer will be actioned. Reports for Committee and Management Team should be presented to Financial Services in sufficient time for agreement on the coverage of financial implications.
- 3.4.9 When monitoring their budgets, **Directors/Assistant Chief Executives** should understand that delivering the outturn within budget is an important service objective. Where it appears that a variation on a service budget will exceed £10,000, the **Director/Assistant Chief Executive** will immediately advise the Chief Finance Officer and Management Team of the situation, together with their proposed action to recover the position. The Chief Finance Officer will then compile and submit regular budget monitoring reports together with recommendations to **Thriving Council Committee**.
- 3.4.10 The approved budget is the financial extent of the Council's commitment to a service each year. Any breach of that limit is therefore an ultra vires act. Depending upon the severity and circumstances of any overspend, it may lead to disciplinary action as officers have exceeded their delegated authority.
- 3.4.11 Key Controls

The key controls are:

- There is a named budget holder who is responsible for each service budget;
- Each **Director/Assistant Chief Executive** nominates a responsible budget holder for each cost centre within his/her service area's revenue estimates and ensures that mechanisms are in place to provide early warnings of anticipated under or overspending;
- All budget holders, including cost centre managers, are accountable for their budgets and the level of service to be delivered and understand their financial responsibilities;
- Services are delivered within the net budget allocated as part of the budget setting process and in line with the **Thematic Business Plans**;
- Income and expenditure are properly recorded and accounted for on a timely basis within the Council's general ledger;
- The budget and **Thematic Business Plans** are monitored together and necessary action is taken to align service outputs and budget;
- Budget Managers are appropriately trained to carry out their budgetary control and financial management responsibilities.

3.5 AMENDMENTS TO THE REVENUE BUDGET - VIREMENTS

- 3.5.1 The overall revenue budget that reflects the Corporate Plan is drawn up by each policy Committee, with the **Thriving Council Committee** giving overall scrutiny prior to recommending to the full Council for approval. **Directors/Assistant Chief Executives** are authorised to incur expenditure in accordance with the estimates and service levels that make up the budget and Business Plans.
- 3.5.2 Expenditure and income for any service budget may be incurred up to the amounts included in the approved budget. It is fundamental to proper financial control that expenditure is allocated to the correct place and it is a contravention of these rules to charge expenditure to the wrong heading to avoid authorisation of an appropriate virement.
- 3.5.3 The management of services within the **Thematic Business Plans** and budgets allows resources to be transferred between services within limits. For example, where a potential overspend in one service budget has been identified through budget monitoring, this overspend could be funded by transferring budget from a service budget where an underspend has been identified. Future monitoring will be against these adjusted budgets.
- 3.5.4 Within the parameters set out below, **Directors/Assistant Chief Executives** have the ability to vire monies both within and between Service Budgets. This provides flexibility for the Council and its officers to manage overall service delivery within budgets.
- 3.5.4.1 For the avoidance of doubt, these virement rules are also applicable to the operation of the Councils earmarked reserves. However, virement is only allowed between one reserve and another and **NOT** between an earmarked reserve and revenue or capital cost centres.

3.5.5 Within a Cost Centre:

- No limit within a defined cost centre. Directors/Assistant Chief Executives must agree in advance with the Finance Business Partner responsible for that service area.
- Virements cannot be made from non-controllable budgets such as Central Support Recharges and Capital charges.
- Virements from salary budgets can only be actioned during the current financial year. Any permanent change to salary budgets will be seen as a change to the Council's establishment requiring compliance with the Human Resources procedure rules.

3.5.6 Between costs centres (under the same Director/Assistant Chief Executive control)

- With the approval of the Chief Finance Officer, some senior managers (as set out in the register of sub-delegation shown at appendix 4) are authorised to approve virements, which, in total, transfer no more than £25,000. These virements should be minuted or otherwise documented.
- Virement exceeding £25,000 and up to £100,000 can be approved by the relevant Director/Assistant Chief Executive, Chief Finance Officer and Management Team. These virements should be minuted or otherwise documented.
- Virements over £100,000 can only be approved by Thriving Council Committee. They will be reported by the Director/Assistant Chief Executive, in such format as the Chief Finance Officer may prescribe.

3.5.7 Restrictions on virements:

- Virements can take place between cost centres in differing Director/Assistant Chief Executives's responsibility, with the same limit as laid out in 3.5.6, when the relevant Directors/Assistant Chief Executives are in agreement.
- Unplanned savings in the form of unbudgeted income or unused budgets (in excess of £5,000) are not authorised to be used without prior agreement of the Management Team. The Chief Finance Officer and Management Team may consider a report to the Thriving Council Committee.
- All virements must be in accordance with corporate and service objectives.
- The service will be as defined in the budget book.
- Evidence of all virements are to be retained by Financial Services
- Virement to or from the budgets for Recharges and Asset Rentals is not permitted unless approved by the Chief Finance Officer.

- 3.5.8 All other budgets can be vired but subject to any other Council policies. No virement may commit future additional expenditure above MTFP provision without **Thriving Council Committee** approval.
- 3.5.9 If the same budget head is used for virement on more than one occasion, the application of the above rules will relate to the accumulated figure.
- 3.5.10 Any virement between an employee budget and a non-employee budget, or between an income budget and a non-income budget, must be approved by the Chief Finance Officer, in accordance with the above determined limits, who may request a report to **Thriving Council Committee** for approval.
- 3.5.11 The securing of additional revenue resources (grants, etc.) must be reported to the Chief Finance Officer. The Chief Finance Officer may authorise the use of those resources to finance additional revenue expenditure where the grant conditions require such. Where there are no such requirements the Chief Finance Officer may require the use of these resources to be approved by **Thriving Council Committee** and will do so in all cases where the sum is **£50,000** or more.
- 3.5.12 The Chief Finance Officer will determine whether a change to budgets is a virement (i.e. the budget is reallocated to a purpose other than originally intended) or a re-presentation or restructure where there is no change to the purpose of the spending. The virement rules set out above shall not apply to restructure or re-presentational changes.

3.5.13 Key Controls

Key controls are:

- Virement of resources between one head of account and another, whether within or between service areas is subject to approval;
- Virement does not create additional overall budget liability. **Directors/Assistant Chief Executives** are expected to manage their budgets responsibly, prudently and within approved service levels. They should not support recurring revenue expenditure from one-off sources of savings or additional income, or create future commitments, including full-year effects of decisions made part way through a year, for which they have not identified future resources. **Directors/Assistant Chief Executives** must plan to fund such commitments from within their own budgets;
- Virement to provide a fundamentally different service level to that approved in the **Thematic Business Plans** can only be approved by **Thriving Council Committee**.

3.6 UNAVOIDABLE EXTRAORDINARY EXPENDITURE

3.6.1 Due to unforeseen circumstances, expenditure may be required over and above existing budgets. This should only occur in extreme circumstances, for example natural disaster, as budget managers should be fully aware of any likely pressures on budgets within their remit.

- 3.6.2 Where possible the relevant **Director or Assistant Chief Executive** should consult

with the Chief Finance Officer and other members of the Management Team to seek agreement before incurring any expenditure. The Chief Finance Officer should agree this expenditure in consultation with the Chairman of the **Thriving Council Committee**.

3.6.3 Subsequently a report will be presented to the **Thriving Council Committee**.

3.6.4 Natural disasters will often be funded by Central Government via the Bellwin Scheme. The possibility of this additional funding should be investigated by the relevant **Director/Assistant Chief Executive**.

3.6.5 Key Controls

Key controls are:

- Budget Managers fully trained in budget management so that the budget reflects all anticipated expenditure.
- All unavoidable expenditure is required to be reported to **Thriving Council Committee**.

3.7 CONTRACT AND WINDFALL SAVINGS

3.7.1 Unless specific agreement with the Chief Finance Officer is obtained, contract savings and windfall savings (i.e. unanticipated income or unanticipated savings on expenditure including any figure relating to previous years) will revert to General Balances.

3.8 FEES AND CHARGES

3.8.1 The Fees, Charges and Concessions Policy forms the basis of all fees and charges set within the Council. The Policy establishes clear principles for charging, integrates charging into service management, linking with corporate objectives and sets clear objectives and targets. The Policy shall be reviewed by the Chief Finance Officer and reported to **Thriving Council Committee** as a minimum every three years.

3.8.2 Charges should be reviewed at least annually and reported as part of the revenue budget and business plan setting process. Any in year changes resulting from a review of fee levels should be reported to the relevant committee for discussion and if agreed, be a recommendation to **Thriving Council Committee** (and Full Council for new charges) for approval.

3.8.3 Fees and charges fall into two categories:

- Statutory;

- Cost related.

3.8.4 Statutory Charges

Statutory charges are those determined by organisations external to the Council and over which the Council has no discretion.

3.8.5 Cost Related Charges

- Where charges are not prescribed, the **Director/Assistant Chief Executive** is able to set the charge by reference to the cost of service provision;
- Constraints exist whereby the charge should be set to cover the cost of the service, e.g. Public Entertainment Licenses, Local Search Fees;
- **Directors/Assistant Chief Executives** must have appropriate systems in place to support the fee- setting process, including the allocation of overheads;
- Where decisions on increases in fees and charges are taken outside the budget process for administrative reasons (e.g. where there is a statutory regulation or a duty of consultation, for example, car parking where notices have to be served) due regard must be given to the financial strategy.

3.8.6 Key Controls

The key controls are:

- Clear and consistent fees and charges strategy;
- As a minimum, annual review of strategy and levels of charges;
- All fees should be considered as part of the Service Planning process.

3.9 INTERNAL CHARGING

3.9.1 Internal charges are made between services within the Council. Whilst they do not directly generate external income, they do affect the total cost of individual services.

3.9.2 Internal charges should be set in accordance with the principles set out in the CIPFA Service Reporting Code of Practice (SeRCOP). There must be a clear rationale for any residual sum not recovered from services and charged to the Corporate and Democratic Core.

3.9.3 Where internal charges are made they should be fixed to recover the full cost of services and may be set at a unit/volume based amount linked to demand, or as a reallocation of costs.

3.9.4 For most services, the service manager responsible for making the charge will develop a service agreement (either formally or informally) that outlines the service provided and establishes the basis of the allocation of costs. The

service standard should be agreed with the Council's Management Team.

3.9.5 The Chief Finance Officer will work with service departments to ensure that recharges are accurate and periodically reviewed to ensure that the basis of charge reflects work done and up to date service costs.

3.9.6 Some services operate as a fully traded service. In these cases, charges could be made on the basis of a Service Level Agreement (SLA). The SLA will specify the service to be provided and the charge to be levied and will generally be a volume based charge. SLAs must be published well in advance of the start of each financial year to enable customers to negotiate with providers if they wish.

3.9.7 **Directors/Assistant Chief Executives** must have appropriate systems in place to support the charge setting process, including the allocation of overheads.

3.9.8 Regard shall be had to the frequency and basis of charge to minimise the internal administrative costs involved in recharging.

3.9.9 Key Controls

The key controls are:

- Clear and consistent internal charging strategy;
- Annual review of strategy and basis and level of charges with specific reference to Value for Money;
- Clear guidance on forming SLAs and service agreements;
- All charges should be considered as part of the Service Planning process.

3.10 RESERVES

3.10.1 Reserves are amounts set aside by the Council as a result of surpluses, deferred expenditure or policy decisions to 'save' towards future expenditure. Reserves can be either specific (earmarked) or general. For each reserve established, the amount, purpose and origin of funding must be clearly identified.

3.10.2 The levels and requirements for reserves are reviewed annually in setting the budget and in the context of the MTFP.

3.10.3 The establishment of new earmarked reserves is subject to approval on a case by case basis except where such a reserve (e.g. pension's reserve) is specifically required by statute or by CIPFA's Accounting Code of Practice.

3.10.4 New reserves will generally be approved by Council (or **Thriving Council Committee**) as part of the budget setting process or budget monitoring process and exceptionally by the **Thriving Council Committee** as part of the accounts closure process on the recommendation of the Chief Finance Officer.

- 3.10.5 Contributions to reserves will be managed as a budgeted call on resources which could otherwise have been spent on services or taken to the General Reserve or used to reduce Council Tax. The timing and size of contributions will be considered in the context of the Council's MTFP and reviewed when each year's accounts are closed.
- 3.10.6 Earmarked reserves will generally fall into four categories:
- Trading account balances;
 - Time limited programmes and projects
 - To meet specific risks of a non-insurable nature or self-insured risks;
 - To carry forward under spending (or overspending) as a ring fenced amount.
- 3.10.7 **Trading account balances** will be allowed where real or quasi trading accounts are used to manage costs. Balances will be maintained to allow flexible response to changes to demand and/or to meet defined future capital expenditure needs. Generally such balances should not exceed 20% of the annual turnover. Balances in excess of this limit should be returned to the General Reserve. See also the additional provisions in section 6.12.
- 3.10.8 **Time limited programmes** may be pre-funded by the establishment of reserves. Reserves will be useful where the pace of spending is difficult to predict and where the spend will run over a number of budget years. However, the creation of reserves causes an earlier call on the taxpayer than when the benefits of the programme are derived by the taxpayer. So pre-funding requires careful consideration of the benefits of the use of a reserve as against annual revenue budgets. It would be unusual for a time-limited programme running for more than 3 years to be pre-funded. Longer programmes might be managed by a reserve to which a consistent level of contribution was made annually but where spend fluctuated from year to year. In all cases the purpose of the reserve must be clearly established at the outset and the scope and cost of the programme defined to ensure the adequacy of the reserve.
- 3.10.9 **Reserves to meet specific risks or contingencies** should have regard to a reasonable estimate of the potential costs involved and should continue to be held only while the risk remains. They should be reviewed at least annually. The Insurance Reserve falls within this category being support for the Council's self-insurance programme and a contingency in respect of any past insurance claims yet to be settled.
- 3.10.10 **At each year-end the Council may determine that an under spending (or over spending) is carried forward for use by the service in which it arose in the subsequent year.** This may be because of a delay in implementing a revenue programme or because a commitment to a future payment exists but which does not meet the test of an accrual as a creditor, or establishment of a Balance Sheet provision. In each case the relevant **Director/Assistant Chief Executive**, together with the Chief Finance Officer will establish the reasonable estimate of the under-spending and the amount carried forward and approval of the Management Team will be sought.

- 3.10.11 The Council may determine that a Service may retain part of a general under spending if the Council's financial situation does not require the sum to be returned to the General Reserve. The sum retained must be identified to a programme and for a one off purpose that does not give rise to any ongoing commitment. The Chief Finance Officer will consider each case and advise whether the purpose meets the test of being spending of a one-off nature.
- 3.10.12 In all circumstances a carry forward request must not be spent without the prior approvals as those required for virements.
- 3.10.13 Approval to use earmarked reserves will be subject to formal release by the Chief Finance Officer who will confirm that planned spending remains affordable when considering any mixed funding, including call on reserves, current budgets and/or external funding packages. The Chief Finance Officer shall have delegated power to approve spending of any earmarked reserve up to a value of **£50,000**. Spend in excess of this sum must have the approval of **Thriving Council Committee**.
- 3.10.14 Monitoring of spending against reserves must be subject to periodic budget monitoring arrangements. Projected variances should form part of the periodic corporate budget monitoring arrangements.
- 3.10.15 The Council may close an earmarked reserve (except where there is a statutory requirement to maintain it) at any time and appropriate any remaining balance to the General Reserve.
- 3.10.16 Key Controls

The key controls are:

- The establishment and use of reserves must be authorised by the Chief Finance Officer;
- Reserves will only be established to meet a defined purpose;
- The level and requirement of each reserve is reviewed annually.
- Any spend in excess of £50,000 to be approved by **Thriving Council Committee**.

4 REGULATION 4 - ACCOUNTING RECORDS

4.1 ACCOUNTING RECORDS

4.1.1 To enable reliance to be placed on financial management information all the Council's transactions, commitments, contracts and other essential accounting information must be recorded completely, accurately, on a timely basis and in corporately approved systems.

4.1.2 Any financial systems and records used within service areas that do not interface with the corporate financial ledger must be in a form agreed by the Chief Finance Officer and must be regularly reconciled to the corporate financial ledger by the relevant service manager.

4.1.3 **Directors/Assistant Chief Executives** shall ensure supporting documentation is available as required by the Chief Finance Officer.

4.1.4 Key Controls

The key controls are:

- The primary record of accounting entries and approved budget is the financial ledger;
- Reconciliation procedures are carried out to the financial ledger to ensure transactions are correctly recorded;
- Original documents are retained in accordance with legislative and other requirements including compliance with the Council's Retention of Data Policy.

4.2 ANNUAL STATEMENT OF ACCOUNTS

4.2.1 The Council has a statutory responsibility to prepare accounts that present accurately and fairly its operations during the year. This must be done in accordance with The Code of Practice on Local Council Accounting in the United Kingdom: (the Code) (CIPFA/LASAAC).

4.2.2 The Accounts will be produced within the statutory timescales.

4.2.3 Annually the Chief Finance Officer draws up a detailed timetable, guidance and instructions for final accounts preparation, approval and audit.

4.2.4 The timetable and guidance covers all areas relating to the closure of accounts, the deadlines by which each task should be completed and the format in which key information should be submitted. **Directors/Assistant Chief Executives** shall ensure compliance with the timetable and guidance.

4.2.5 Key Controls

The key controls are:

- The Council's Statement of Accounts is prepared in accordance with proper practices as set out in the relevant codes of practice on local authority accounting in the United Kingdom;
- Clear and consistent advice and instructions are issued for dealing with all year-end processes, such as accruals, prepayments, treatment of year-end balances and analytical review;
- Accounts are kept up to date during the year, reconciliations are carried out on a regular basis, the revenue and capital budgets are compiled and monitored effectively and year-end processes are completed in accordance with the timetable issued;
- Year-end variances and balances are reported on within the parameters agreed with the external auditor;
- There is a clear policy for the setting up and maintenance of reserves;
- Comprehensive working papers are compiled and maintained.

4.3 RETENTION OF ACCOUNTING AND FINANCIAL DOCUMENTS

- 4.3.1 The retention periods shown in Appendix 2 represent the minimum number of complete financial years, i.e. excluding the current financial year.
- 4.3.2 This guidance refers to retention of both hard copy and electronic format. Retention in electronic format (e.g. document imaging or other electronic format) is to be encouraged wherever possible and subject to the agreement of appropriate authorities, such as External Audit and HMRC.
- 4.3.3 No documents or records should be disposed of until notification has been received from the External Auditor of the completion of the audit of accounts for the year to which the records relate. This fact should be confirmed with the Chief Finance Officer.
- 4.3.4 If in doubt, Internal Audit should be contacted for advice on specific cases.

5 REGULATION 5 - RISK MANAGEMENT AND RESOURCE CONTROL

5.1 RISK MANAGEMENT AND INSURANCE

Introduction

- 5.1.1 It is essential that robust systems are developed and maintained for identifying, evaluating and controlling all of the operational risks to the Council on an integrated basis in accordance with the Council's Risk Management Strategy.

Risk Management

- 5.1.2 The Governance and Audit Committee is responsible for approving the Council's Risk Management Strategy and for reviewing the effectiveness of risk management. The committee is also responsible for approving the Council's Strategic Risk Assessment and for ensuring that proper insurance exists where appropriate. The committee discharging the Overview and Scrutiny function has the responsibility for reviewing and scrutinising the decisions made by and performance of Committees and officers to ensure that risk management has been applied and adds value and quality to decision making.

- 5.1.3 **The Chief Finance Officer** will produce an annual corporate risk assessment. **The Chief Finance Officer** is responsible for preparing the Council's Risk Management Strategy statement and for promoting it throughout the Council. The Chief Finance Officer is responsible for advising the **Thriving Council Committee** on proper insurance cover where appropriate. Copies of the Council's formal Risk Management Strategy and Corporate Risk Register are available on the intranet.
- 5.1.4 **Directors / Assistant Chief Executives** shall ensure the regular identification, review and management of risk within service areas having regard to advice and instructions from specialist officers. Risk champions shall be nominated within each service area to ensure these issues are progressed.
- 5.1.5 The Council's approach to risk management is that it should be embedded throughout the organisation at both a strategic and an operational level, through integration into existing systems and processes.
- 5.1.6 **Directors / Assistant Chief Executives** are responsible for ensuring that the risks to achieving the aims in their responsible areas are assessed and managed and that risk registers are updated with current issues and reviewed through service area team meetings in accordance with the organisation's risk appetite. Risks and their control measures will be included within Service Delivery Plans and updated in quarterly performance reviews.
- 5.1.7 It is also the role of **Directors / Assistant Chief Executives** to ensure that common themes for business and organisational failure (e.g. capacity, resources and prioritisation) are taken into account at a service and corporate level and reflected in risk registers, as they have an effect on achieving service and organisational aims.
- 5.1.8 **Directors / Assistant Chief Executives** will also ensure that all relevant staff comply with the strategy and have the necessary level of training and competence. The Risk Management Code of Practice will be complied with and risks escalated to the **Director/Assistant Chief Executive** where a decision at this level is needed.
- 5.1.9 The Chief Finance Officer will make provision for losses that might result from residual risks, through external insurance or internal funding and negotiate all claims in consultation with other officers.

Insurance

- 5.1.10 The Chief Finance Officer shall effect all those insurances falling within the framework of insurable risks and shall deal with all claims, in consultation with other **Directors/Assistant Chief Executives** where necessary. This will also include negotiation of annual premiums, continually reviewing procedure and cover and ensuring that the Council has adequate cover against all potential risks.
- 5.1.11 The Council will determine which risks must be covered by external insurances or internal insurance provision. Other risks may be covered by insurance or carried by the service area involved at the discretion of the relevant **Director/Assistant Chief Executive**, having regard to advice from the Chief Finance Officer.
- 5.1.12 The Chief Finance Officer will keep an up to date list of all property including current insurance values. This list will be reviewed annually.

- 5.1.13 Each **Assistant Chief Executive** shall immediately notify the Chief Finance Officer of all new risks, properties, vehicles and other assets or potential liabilities for which insurance may be required; and of any changes affecting existing risks or insurance cover required.
- 5.1.14 **Directors/Assistant Chief Executives** shall notify the Chief Finance Officer in writing without delay of any loss, liability or damage or any event likely to lead to a claim and shall provide such information and explanations required by the Chief Finance Officer or the Council's insurers.
- 5.1.15 **Directors/Assistant Chief Executives** shall ensure that all keys (for example safe, offices, vehicles, cabinets) are kept securely and a register maintained. In the event of a loss, they must immediately inform the Chief Finance Officer.
- 5.1.16 **Directors/Assistant Chief Executives** may authorise payment of up to **£60** towards employees' personal property damaged while on the Council's premises or on the Council's business. Sums greater than £60 will require approval from the Chief Finance Officer and the Management Team.
- 5.1.17 **Directors/Assistant Chief Executives** shall consult the Chief Finance Officer and the Monitoring Officer concerning the terms of any indemnity which they are requested to give on behalf of the Council.
- 5.1.18 Before entering into any arrangement involving a legal relationship, the **Directors/Assistant Chief Executives** involved must ensure that the Council has adequate legal powers and where appropriate that there is adequate professional indemnity insurance to cover and minimise any risk to the Council and to those individuals involved (advice should be obtained from the Chief Finance Officer and /or the Monitoring Officer where necessary before proceeding).
- 5.1.19 The Chief Finance Officer shall review insurance requirements at each annual renewal date and as part of the re-tendering process at the end of the overall insurance contract period.

Self-Insurance

- 5.1.20 For some risks not covered by external insurance policies and as determined by the Council, the Chief Finance Officer will operate an insurance reserve and is authorised to charge the various Council service budgets with the cost of contributions to this account.
- 5.1.21 Risk Management is the responsibility of every Director/Assistant Chief Executive having regard to advice from specialist officers. In general, costs and losses not insured externally and not covered by the Council's insurance reserve will fall as a charge upon the budget of the service area to which the item relates. Also, claims for insured risks could result in increased levels of future premiums, and this emphasises the need for effective preventive measures against all risks.

Business Risk Management

- 5.1.22 Each **Director/Assistant Chief Executive** must assess all risks annually. The risk of not meeting corporate strategy targets should be evaluated and appropriate performance measures should be set for monitoring.
- 5.1.23 All risks should be recorded in the Corporate Risk Register, together with an

action plan to show how the risks are being monitored.

5.1.24 The management of risks at a cluster (Thriving People, Thriving Places, Thriving Council) level should be reported upon at least quarterly to the Management Team.

5.1.25 Key Controls

The key controls are:

- 5.1.25.1 Procedures are in place to identify, assess, prevent or contain known risks, and these procedures are operating effectively throughout the Council;
- 5.1.25.2 The Council has adopted the Risk Management Strategy and processes to record all identified risks;
- 5.1.25.3 A monitoring process is in place to review regularly the effectiveness of risk reduction strategies and the operation of these controls. The risk management process should be conducted on a continuing basis;
- 5.1.25.4 Managers know that they are responsible for managing relevant risks and are provided with relevant information on risk management initiatives;
- 5.1.25.5 Provision is made in the accounts for losses that might result from the risks that remain;
- 5.1.25.6 The Council has identified business continuity plans for implementation in the event of disaster that results in significant loss or damage to its resources;
- 5.1.25.7 Acceptable levels of risk are determined and insured against where appropriate.

5.2 PREVENTING FRAUD AND CORRUPTION

5.2.1 The Council will not tolerate fraud and corruption in the administration of its responsibilities, whether from inside or outside of the Council.

5.2.2 The Chief Finance Officer is responsible for the development and maintenance of a Counter-fraud, corruption and bribery policy and a Financial Crime and Anti-Money Laundering Policy

5.2.3 The Monitoring Officer will also ensure that whistle-blowing procedures are in place and operate effectively, including regular reviews of staff training and takes account of the Public Interest Disclosure Act 1998.

5.2.4 The Council operates an Counter-fraud, corruption and bribery policy and a Financial Crime and Anti-Money Laundering Policy . A 'Whistle Blowing' policy supports the objectives of these policies. These, in conjunction with Councillor and Officer Codes of Conduct and registers of interest, including Register of Interest in which any hospitality or gifts accepted must be recorded, determine the overall policy of the Council with regard to prevention of fraud and corruption.

5.2.5 Any suspected irregularities should be reported to internal audit and, if necessary, the Chief Finance Officer, the Monitoring Officer, or the Head of Paid Service.

5.2.6 Key Controls

The key controls are:

- The Council has an effective **Counter-fraud, corruption and bribery policy and a Financial Crime and Anti-Money Laundering Policy** and maintains a culture that will not tolerate fraud or corruption;
- Codes of conduct exist for Councillors and Officers and are regularly reviewed by the **appropriate** Committee;
- A Register of Interests is maintained to enable Councillors and Officers to record any financial or non-financial interests that may bring about conflict with the Council's interests;
- A register of Gifts & Hospitality is maintained to enable Councillors and Officers to record gifts and hospitality either received, or offered and declined, from the Council's contractors and suppliers;
- Whistle blowing procedures are in place and operate effectively;
- An effective disciplinary procedure is in place in case of improper behaviour;
- The **Counter-fraud, corruption and bribery policy and a Financial Crime and Anti-Money Laundering Policy** and the Whistleblowing Policy can be found on the intranet and internet.

5.3 **GIFTS AND HOSPITALITY**

5.3.1 Part 3 of The Constitution sets out the Council's Codes of Conduct for Councillors and for Employees on Gifts and Hospitality. These must be adhered to at all times.

5.3.2 A Register of Gifts & Hospitality is maintained by Democratic Services to enable officers to record gifts and hospitality either received, or offered and declined, from the Council's existing or potential contractors and suppliers.

5.3.3 Key Controls

The key controls are:

- Relevant Codes of Conduct must be adhered to at all times;
- Registers of gifts and hospitality must be maintained and kept up to date.

5.4 **ASSETS**

5.4.1 **Assets - Acquisitions and Disposals of Land and Buildings (Freehold and Leasehold)**

5.4.1.1 **Directors/Assistant Chief Executives** (including the Chief Finance Officer) may authorise an acquisition or disposal of land and buildings up to a value of **£75,000** (including leases or easements where the annual rent multiplied by the length of the lease does not exceed that figure assuming that the rent is not increased on review) which is an approved item in the approved Capital Programme.

5.4.1.2 Acquisitions or disposals between **£75,001** and **£250,000** are only to be undertaken following consultation with the Leader of the Council or the Deputy Leader if the Leader is not available.

- 5.4.1.3 Any proposed acquisition or disposal (regardless of value) must be subject to an independent valuation, preferably by the District Valuer or some other Royal Institute of Chartered Surveyors independent valuer.
- 5.4.1.4 In all cases, acquisitions and disposals are subject to reference to **Thriving Council Committee** by the appropriate Chief Officer with responsibility for areas of open space or land in the nature of open space if there is significant public interest in the preservation of the same. Where a sale is pursuant to Section 123 Local Government Act 1972, Section 32 Housing Act 1985 or or Section 25 Local Government Act 1988, consent to the Secretary of State may be sought as necessary.
- 5.4.1.5 In all cases, the acquisition, lease or disposal must be reported to the next available meeting of the **Thriving Council Committee**.
- 5.4.1.6 Where transactions have not been approved within the Approved Capital Programme the prior approval of the **Thriving Council Committee** is required.

Assets – Security

- 5.4.2 The Council holds assets and information in many different forms – property, vehicles, equipment and both computerised and other records.
- 5.4.3 Such assets and information as are required for service operations must be safeguarded, and the requirements of the Data Protection Act and Freedom of Information Act must be met.
- 5.4.4 **Directors/Assistant Chief Executives** will:
- Ensure the security of all vehicles, buildings, stocks, stores, furniture, equipment, cash and information under their control;
 - Ensure that no asset or office system (for example internet access or the telephone system) is misused or subject to unauthorised personal use;
 - Ensure that maximum limits for cash holdings agreed with the Chief Finance Officer are not exceeded;
 - Ensure that keys to safes etc. are kept securely and any loss is reported promptly to the Chief Finance Officer;
 - Protect the Council's rights to intellectual property and ensure that private work is not carried out during the Council's time;
 - Ensure that documented and tested contingency plans for the security of assets and continuity of service in the event of a disaster or system failure are in place;
 - Should the Council be asked to give a guarantee or indemnity for any transaction, the relevant **Director/Assistant Chief Executive** should first consult with the Chief Finance Officer and the Legal Adviser.
- 5.4.5 The Chief Finance Officer maintains an up-to-date Asset Register. The Chief Finance Officer should be notified in any case where security is thought to be defective or where it is considered that special security arrangements may be needed. In addition, the Authority will maintain records of all properties owned by the Council.
- 5.4.6 The Council's **Chief Finance Officer** shall have the custody of all title deeds, formal contracts and agreements under seal and be responsible for ensuring their safety.

5.4.7 The Chief Finance Officer shall be responsible for ensuring that a full revaluation of all Council properties is undertaken at least every five years.

5.4.8 Key Controls

The key controls are:

- Assets and resources are used only for the purposes of the Council and are properly accounted for;
- Assets and resources are available for use when required;
- Assets and resources no longer required are disposed of in accordance with the law and the regulations of the Council so as to maximise benefits;
- An Asset Register is maintained for the Council - assets are recorded when they are acquired by the Council and this record is updated as changes occur with respect to the location and condition of the asset;
- All officers are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation;
- All officers are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, including maintaining restricted access to the information held on them and compliance with the Council's information security and internet security policies;
- Proper security arrangements are in place for all buildings and other assets belonging to the Council.

Assets – Inventories

5.4.9 Mobile assets include portable computers, phones, radios, surveying equipment, vehicles and any other work related equipment held by staff outside the offices at any time.

5.4.10 Each **Director/Assistant Chief Executive** will nominate an officer with responsibility to maintain an inventory for all assets with a life expectancy of more than one year (including all mobile assets) whose single replacement value exceeds £500 including furniture, fittings and equipment. This must record description, value, date of purchase, expected life, and location.

5.4.11 All valuable and portable items (including computers, cameras, video recorders, mobile phones, portable projection equipment etc.) must be security marked as belonging to the Council and wherever possible kept securely.

5.4.12 No item shall be removed from the Council premises, except in the course of Council business, without the written authorisation of the **Director/Assistant Chief Executive** concerned.

5.4.13 Inventories must be checked at least annually to verify the details.

5.4.14 Any variations to inventory records must be reported to the relevant **Director/Assistant Chief Executive** and all variations over **£1,500** must be reported to the Chief Finance Officer.

5.4.15 The **Director/Assistant Chief Executive** to ensure officers sign a register to acknowledge custody and sign **Page 63** when returning the equipment. The

Chief Finance Officer can offer advice when setting up a logging system.

- 5.4.16 An inventory of all computer hardware and software held by the Council will be maintained, a copy of which must be provided to the Chief Finance Officer.

Assets - Lost Property and Uncollected Goods

- 5.4.17 Lost property, uncollected goods or unclaimed sums of money will be kept securely until they can be returned to a claimant or otherwise disposed of. **Directors/Assistant Chief Executives** will ensure that this is carried out and that records are kept of such items and arrangements for their disposal.

Assets - Stocks and Stores

- 5.4.18 All **Directors/Assistant Chief Executives** must ensure that they maintain adequate records and controls over stock movements. There is a cost of holding stocks and levels should always be kept at the minimum necessary to maintain the efficiency of the service.
- 5.4.19 Stocks and stores comprise the following categories:
- Goods or other assets purchased for resale;
 - Consumable stores;
 - Raw materials and components purchased for incorporation into products for sale;
 - Products and services in intermediate stages of completion;
 - Long-term contract balances;
 - Finished goods.
- 5.4.20 **Directors/Assistant Chief Executives** will ensure that independent stock checks must be undertaken periodically and at least annually at year-end. All discrepancies should be investigated and pursued to a satisfactory conclusion. Evidence of the stock check is to be kept for audit verification purposes.
- 5.4.21 Any variations must be reported to the relevant **Director/Assistant Chief Executive** and Financial Services for the appropriate accounting entries to be done. All variations over £1,500 must be reported to the Chief Finance Officer.
- 5.4.22 A certificate of stock must be issued promptly to the Chief Finance Officer as at 31 March in each year. Stocks must be signed by the appropriate **Director/Assistant Chief Executive** or budget holder and valued at the lower of cost and net realisable value.
- 5.4.23 The Chief Finance Officer is entitled to check stocks, if necessary requiring closure, after consultation and agreement with the **Director/Assistant Chief Executive** concerned.
- 5.4.24 All receipts and issues of stock must be properly recorded and accounted for in the Council's financial records.

Assets – Intellectual Property

- 5.4.25 Intellectual property is a generic term that includes inventions and writing. If these are created by the Council during the course of employment then they

are the property of the Council. Examples include software and product development. These items are collectively known as intellectual property.

5.4.26 All contracts of employment, including those relating to temporary or consultants are to provide for intellectual property to be the property of the Council.

5.4.27 Key Controls

The key controls are:

- In the event that the Council decides to become involved in the commercial exploitation of inventions, the matter should proceed in accordance with the Council's approved intellectual property procedures.
- Contracts of employment, including for the employment of temporary/consultancy staff, should include the provision that any intellectual property are the property of the Council.

Assets - Compulsory Disposals

5.4.28 Any sale or lease of land pursuant to the Right to Buy or the Right of Enfranchisement under the Housing Act 1985, the Leasehold Reform Act 1967 or the Leasehold Reform Housing and Urban Development Act 1993 will be subject to compliance with the statutory procedures.

Assets – Disposal by Sale

5.4.29 Surplus or obsolete goods, materials, and stocks with a value of £250 or more shall be disposed of by public tender, except when, in the opinion of the **Director/Assistant Chief Executive** of the Service concerned, the financial interest of the Council is better served by disposal by other means. This may include a public auction or offering the asset in part exchange. The **Director/Assistant Chief Executive** concerned shall prepare and certify a list of all items disposed of, showing the amount received. This will be reflected in the inventory, the asset register, and/or the stock account. The disposal of the asset should be fully documented.

5.4.30 Items with a value of less than £250 can either be disposed as indicated in 5.4.29 or may listed on the Councils Ebay page.

5.4.31 For disposals of land and property see the special provisions contained in 5.4.1.

5.4.32 Running costs for property declared surplus to requirement will transfer to the Property & Assets budget.

5.4.33 The proceeds of all sales of surplus or obsolete assets must be reported to the relevant **Director/Assistant Chief Executive** and all sales must be reported to the Chief Finance Officer who will arrange for the Councils Asset Register to be amended if appropriate.

5.4.34 Key Controls

The key controls are:

- Assets are disposed of in accordance with the Asset Management Plan;
- Disposal of assets is fully documented;
- The Councils Asset Register records the latest position;
- Annual stock valuation identifies obsolete stock.

Assets – Disposal By Write Off

- 5.4.35 For the purpose of this section, assets also include write off of cash and income due to the Council.
- 5.4.36 Write-offs may only take place as a last resort after all other economic/social solutions have been exhausted.
- 5.4.37 The relevant Budget Manager may write off amounts up to £250 where irrecoverable.
- 5.4.38 The relevant **Director/Assistant Chief Executive** in consultation with the Chief Finance Officer may write off Income, Stocks and Inventory deficiencies of up to **£2,500**.
- 5.4.39 The relevant **Director/Assistant Chief Executive** in consultation with the Chief Finance Officer and the Chairman of the **Thriving Council Committee**, may write off items over **£2,500** and under **£25,000**.
- 5.4.40 Write offs of amounts over **£25,000** may only be written off by the **Thriving Council Committee** after receiving a report from the Chief Finance Officer.
- 5.4.41 A report must be submitted at least annually by the relevant **Director/Assistant Chief Executive** to the Chief Finance Officer, who will report annually on the overall level of write-offs as part of the Statement of Accounts process.
- 5.4.42 Key Controls

The key controls are:

- Specific write-off limits;
- Disposal of assets is fully documented;
- Annual stock valuation identifies obsolete stock.

5.5 TREASURY MANAGEMENT AND LEASING

- 5.5.1 The Council has adopted CIPFA's Treasury Management in the Public Services Code of Practice and Cross Sectoral Guidance Notes 2017.
- 5.5.2 The Chief Finance Officer will create and maintain, as the cornerstone for effective Treasury Management:
- A Treasury Management Policy Statement (TMPS) stating the policies, objectives and approach to risk management of its treasury management activities;
 - Suitable Treasury Management Practices (TMP) setting out the manner in which the organisation will seek to achieve those policies and objectives and prescribing how it will manage and control those activities.

- 5.5.3 The Chief Finance Officer will produce reports on its treasury management policies, practices and activities including, as a minimum, a report to Council on an annual strategy and plan in advance of the forthcoming year, a mid-year review and an annual report after its close, in the form prescribed in its TMPs.
- 5.5.4 The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the **Thriving Council Committee**, and for the execution and administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the Council's policy statement and TMPs, and the CIPFA Standard of Professional Practice on Treasury Management.
- 5.5.5 The Council nominates the Governance and Audit Committee to be responsible for ensuring the effective scrutiny of the Treasury Management strategy and policies.
- 5.5.6 All executive decisions on borrowing, investment or financing (including leasing) are delegated to the Chief Finance Officer who will act in accordance with the Council's agreed "Treasury Management Strategy".
- 5.5.7 The Chief Finance Officer must report any decisions on any borrowing undertaken to the **Thriving Council Committee** as part of the Treasury Management activities reporting process.
- 5.5.8 The Chief Finance Officer must report any debt rescheduling activity to **Thriving Council Committee** as part of the Treasury Management activities reporting process.
- 5.5.9 The Chief Finance Officer is responsible for acting as the Council's registrar of stocks, bonds, mortgages, and to maintain records of all borrowing by the Council.
- 5.5.10 **Directors/Assistant Chief Executives** are responsible for ensuring the prior approval of the Chief Finance Officer before leasing any assets.
- 5.5.11 **Directors/Assistant Chief Executives** are responsible for ensuring that no loans are made to third parties or interests acquired in companies, joint ventures, or other enterprises without consulting the Chief Finance Officer and obtaining approval from **Thriving Council Committee**.
- 5.5.12 The Council may, in accordance with its Treasury Management Strategy, invest in the following types of investment:
- Money Market Funds
 - Banks
 - Certificates of Deposits
 - UK Government (including gilts, Treasury Bills etc)
 - Other Local Authorities, Parish Councils etc
 - Housing Associations
 - Loans and guarantees etc. to third parties and subsidiaries
 - Local/Community Bonds
 - Local Authority Property Asset Funds
 - Corporate Bond Funds management

- Covered Bonds
- Property Funds

5.5.13 All such investments shall be undertaken only in accordance with the Councils approved Treasury Management Strategy and adherence to the provisions contained in the strategy especially with regard to undertaking appropriate due diligence.

5.5.14 Key Controls

The key controls are:

- Adopted CIPFA's Treasury Management in the Public Services Code;
- Created and maintained Treasury Management Policy Statement (TMPS) and Treasury Management Practices (TMP);
- Agreed Treasury Management Strategy for forthcoming year;
- Mid-year Treasury Management Update report;
- Reported performance within six months of the end of the year;
- An annually agreed Minimum Revenue Provision (MRP) Policy;
- The role of the Governance and Audit Committee.

5.6 STAFFING

5.6.1 The Head of Paid Service, in consultation with the Chief Finance Officer, is responsible for determining how officer support for executive and non-executive roles within the Council will be organised.

5.6.2 The Head of Paid Service is responsible for providing overall management to Officers. He/she is also responsible for ensuring that there is proper use of evaluation or other agreed systems for determining the remuneration of a job.

5.6.3 **Directors/Assistant Chief Executives** should ensure that Officers are aware of their management responsibilities under the Financial Procedure Rules, Contract Procedure Rules, Declaration of Interests, Hospitality, Whistleblowing Policy, ICT Policies etc.

5.6.4 All officers are responsible for complying with the Council's Human Resources Policies to protect the Council against losses and minimise risk exposure.

5.6.5 The Head of Paid Service is responsible for maintaining an approved list of officer posts (known as the Establishment List), which have been approved by or on behalf of the Council as being required to provide the Council with the services and advice, which it requires from time to time. Additions, amendments and deletions in relation to this list shall be kept up to date at all times.

5.6.6 Regular meetings shall take place between the Chief Finance Officer, Finance and Payroll to ensure that all records in relation to this Establishment List reconcile.

5.6.7 No appointments of permanent officers shall be made unless there is a post on the Establishment List for which current budgetary provision has been made.

5.6.8 The Establishment List shall include the appointment of temporary or

agency staff, or direct works employees in respect of which special budgetary provision is available.

5.6.9 **Directors/Assistant Chief Executives** are responsible for controlling total staff numbers by:

- Advising the **Thriving Council Committee** on the budget necessary in any given year to cover estimated staffing levels;
- Adjusting the staffing to a level that can be funded within approved budget provision, varying the provision as necessary within that constraint in order to meet changing operational needs.

5.6.10 Key Controls

The key controls are:

- An appropriate staffing strategy and policy exists, in which staffing requirements and budget allocation are matched;
- Procedures are in place for forecasting staffing requirements and cost;
- There is a process of performance review and identification of development needs;
- Training budgets are adequate to support agreed development needs.

5.7 UNOFFICIAL NON-COUNCIL FUNDS

5.7.1 An unofficial fund is one where the income and expenditure does not form part of the Council's accounts, but which is controlled wholly or in part by an Officer employed by the Council or a semi-autonomous body. Examples may include charity accounts or Trust Funds.

5.7.2 Unofficial funds may only be established by the Chief Finance Officer who will issue and update accounting instructions for them where necessary.

5.7.3 All unofficial funds must be properly accounted for and be subject to an independent annual audit (Council or other provider).

5.7.4 Key Controls

The key controls are:

- They must be subject to an audit;
- They must be identified and recorded centrally;
- Normal accounting rules will apply.

5.8 INTERNAL AUDIT

5.8.1 The requirement for an internal audit function for local authorities is implied by the Local Government Act 1972, which requires that authorities "make arrangements for the proper administration of their financial affairs". The Accounts and Audit regulations 1996 (SI1996/590), Regulation 5, more specifically require that a "relevant body shall maintain an adequate and effective system of internal audit of their accounting records and control systems". The Chief Finance Officer is responsible for providing an efficient and effective internal audit service to comply with the legislation and auditing

best practice.

- 5.8.2 Accordingly, Internal Audit is an independent and objective appraisal function responsible for reviewing the system of internal control. It examines, evaluates and reports on the adequacy of internal control as a contribution to the proper, economic, efficient and effective use of resources.
- 5.8.3 The provision of a full Internal Audit service requires total accessibility to records and staff employed either by, or on behalf of, the Council.
- 5.8.4 Notwithstanding the Chief Finance Officer's responsibility for the review of the Council's systems, the actual responsibility for their correct form and operation lies solely and totally with service management. Internal Audit will review and comment on the operation of systems, but this does not constitute a control function and must not be relied upon as such. Conversely, the lack of an Internal Audit review or the failure by Internal Audit to identify a weakness or irregularity does not in any way act as an excuse or defence for its occurrence or non-detection by service managers.
- 5.8.5 **Directors/Assistant Chief Executives** will consider internal audit reports and make an initial response within 15 working days of receipt. Any agreed recommendations will then be implemented. Any rejected recommendations will be reported to the Chief Finance Officer and Management Team.
- 5.8.5 **Directors/Assistant Chief Executives** will inform the Chief Finance Officer of suspected fraud, corruption or other irregularities.
- 5.8.6 **Directors/Assistant Chief Executives** will inform Internal Audit of all proposed changes to computer or other systems prior to implementing any changes.
- 5.8.7 The **Assistant Chief Executive** for People and Democratic Services will report to the Governance and Audit Committee on progress against the Internal Audit Programme.
- 5.8.8 Key Controls

The key controls are:

- It is independent in its planning and operation;
- The Audit Manager has direct access to the Head of Paid Service, all levels of management and directly to elected Members;
- Governance and Audit Committee will monitor progress against the Internal Audit Programme.
- Internal Auditors comply with the Auditing Practice Board's guideline: Guidance for Internal Auditors, as interpreted by CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom.

5.9 MONEY LAUNDERING

- 5.9.1 The Council's policy and practices with regard to the Money Laundering regulations (contained in the Proceeds of Crime Act 2002 as amended by Serious Organised Crime Agency and Policy 2005 and relevant Statutory Instruments, Terrorism Act 2000 as amended by Anti-Terrorism, Crime and Security Act 2001 and the Terrorism Act 2006 and relevant Statutory Instruments with regard to money laundering are contained in the Council's

Treasury Management Practices (TMP) adopted as part of its Treasury Management Policy.

- 5.9.2 Schedule 9 of the TMPs set out the detailed approach to addressing the Council's requirements in respect of Money Laundering regulations specific to Treasury Management activity.

6 REGULATION 6 – ACCOUNTING SYSTEMS AND PROCEDURES

6.1 ACCOUNTING SYSTEMS AND PROCEDURES

- 6.1.1 The Chief Finance Officer is responsible for the operation of the Council's accounting systems, the form of accounts and the supporting financial records. No changes shall be made to the existing financial systems or new systems shall be established without the prior approval of the Chief Finance Officer.
- 6.1.2 A complete audit trail, allowing financial transactions to be traced from the accounting records to the original document and vice versa, must be maintained.
- 6.1.3 **Directors/Assistant Chief Executives** are responsible for the proper operation of financial processes in their own strategic service areas and for ensuring that their officers receive relevant financial training, approved by the Chief Finance Officer.
- 6.1.4 **Lists of Authorised Officers, and delegated limits** will be provided to the Chief Finance Officer, together with any subsequent variations on a periodic basis. This includes all areas of the Council, including the outlying areas such as depots and sports facilities. **Directors/Assistant Chief Executives** must ensure that, where appropriate, computer and other systems are registered in accordance with Data Protection legislation and that officers are aware of their responsibilities under Freedom of Information legislation and information security generally.
- 6.1.5 The development, purchase and implementation of all ICT systems must conform to the Council's ICT Strategy.
- 6.1.6 All passwords must remain confidential.
- 6.1.7 All relevant software licenses employed by the Council should be held and identifiable. No software may be loaded onto the Council's computer equipment without the prior permission by the **head of ICT**.
- 6.1.8 Contingency arrangements, including back-up procedures, must be maintained for computer systems. Wherever possible, back-up information should be securely retained in a fireproof location, preferably off site or at an alternative location within the building.
- 6.1.9 Any service specific procedures should be followed by the service in question; any changes made to agreed procedures by officers to meet specific service needs should be agreed with the Chief Finance Officer. These procedures will incorporate appropriate controls to ensure that, where relevant:
- All input is genuine, complete, accurate, timely and not previously processed;
 - All processing is carried out in an accurate, complete and timely manner;
 - Output from the system is **Page 71** accurate and timely;

- There is an appropriate segregation of duties providing for adequate internal controls and to minimise the risk of fraud or other malpractice.

6.1.10 Key Controls

The key controls are:

- Basic data exists to enable the Council's objectives, targets, budgets and plans to be formulated;
- Performance is communicated to the appropriate managers on an accurate, complete and timely basis;
- Early warning is provided of deviations from target, plans and budgets that require management attention;
- Operating systems and procedures are secure;
- Data is backed up on a regular basis.

6.2 BANKING ARRANGEMENTS

- 6.2.1 The Council operates a number of bank accounts for the collection and payment of money. All receipts and payments of the Council are made through these accounts. Only the Head of Paid Services and the Chief Finance Officer can open bank accounts in the name of and on behalf of the Council. No officer of the Council shall open any bank (or equivalent) account without the explicit agreement of one of those officers.
- 6.2.2 The Chief Finance Officer will ensure that sound, adequate arrangements are in place for the safe and efficient operation of all the Council's bank accounts and will effect or cause to be effected proper and timely reconciliations.
- 6.2.3 All bank accounts shall bear an official title and in no circumstances shall an account be opened in the name of an individual, with the exception of the Returning Officers Account for election expenses.
- 6.2.4 Once an account is open, only the Chief Finance Officer can make arrangements concerning the Council's bank accounts. No overdraft arrangements will be permitted with the exception of corporate arrangements under the Treasury Management policy.
- 6.2.5 Financial Services will monitor the safekeeping and control of cheques.
- 6.2.6 Cheques on the Council's main banking accounts shall bear the signature (manuscript or facsimile signature) of the Head of Paid Service.
- 6.2.7 All cheques in excess of £10,000 must be manually countersigned by one of the other officers authorised on the bank mandate.
- 6.2.8 Cheques, when opened, are listed and checked by a senior officer before then being entered into the Council's cash management system.
- 6.2.9 All stocks of cheques must be held securely and stock records maintained to identify both issued and spoilt cheques.

6.2.10 The Chief Finance Officer will ensure that bank accounts are reconciled with financial records at least once in each month and any discrepancies identified and appropriate action undertaken.

6.2.11 The bank mandate should be reviewed at least annually

6.2.12 Consideration will be given to retendering the Council's banking service as a minimum every five years.

6.2.13 The following duties, as far as possible, will be the responsibility of at least 2 separate officers;

- The checking of creditor accounts;
- The control of cheque forms;
- The preparation of cheques;
- The signature of cheques;
- The entry of cash accounts;
- The reconciliation of bank balances.

6.2.14 Key Controls

The key controls are:

- All cheques must be signed, either manually or by facsimile, by the Head of Paid Service.
- Cheques with a value of **£10,000** or more need to be countersigned.

Bank Accounts can only be opened by the Head of Paid Service or the Chief Finance Officer.

6.3 SALARIES, WAGES, PENSIONS AND OTHER EMOLUMENTS

6.3.1 The Chief Finance Officer is responsible for all payments of remuneration and expenses to all employees or former employees, including payments for overtime and for payments of allowances to Councillors, to comply with Council's policy and national agreements.

6.3.2 All appointments will be made in accordance with the Council's approved policies.

Payroll

6.3.3 Effective controls are needed to ensure that payments are accurate, made only when they are due and comply with relevant conditions of service. The payroll data (currently provided by North Kesteven District Council) must be reconciled regularly with the general ledger.

6.3.4 All procedures dealing with starters, leavers, variations and enhancements must be rigorously adhered to and **Directors/Assistant Chief Executives** must advise Human Resources promptly of all staffing changes, absences (other than approved leave), changes in remuneration and other relevant information or changes.

6.3.5 All officers must only be paid through the Council's or an authorised

contractor's payroll system.

6.3.6 **Directors/Assistant Chief Executives** will ensure that they follow the approved monitoring procedure for filling all vacancies.

6.3.7 The Officers' Code of Conduct is set out in Part 3 of the Council's Constitution.

6.3.8 Key Controls

The key controls are:

- Proper authorisation procedures are in place and that there is adherence to corporate timetables in relation to: starters, leavers, variations and enhancements;
- Payments are made on the basis of appropriately authorised timesheets or claims;
- Frequent reconciliation of payroll expenditure against approved budgets and bank accounts;
- All appropriate payroll documents are retained and stored for the defined period, in accordance with guidance issued by the Chief Finance Officer;
- All expenditure, including VAT, is accurately recorded against the correct service cost centre and any exceptions are corrected;
- Inland Revenue regulations are complied with.

Human Resources Arrangements

6.3.9 The Head of Paid Service must ensure that adequate arrangements have been made to notify the Payroll Officer of all the information required in terms of starters and leavers, amendments to working hours, pension arrangements and any other factor that can compromise the integrity of the Payroll service.

6.3.10 Key Controls

The key controls are:

- Payments are only made when there is a valid entitlement which can be proved if necessary;
- Conditions and contracts of employment must be correctly applied;
- Employees' names listed on the payroll are checked at regular intervals to verify accuracy and completeness;
- Appointments, resignations, dismissals, suspensions, secondments and transfers should be recorded and reported in line with Human Resource policies.
- Records supporting absences from duty for sickness or any other reason, apart from approved leave must be supplied monthly to the Payroll Section.
- Changes in remuneration, other than normal increments and pay awards and agreements of general application, must be notified to the Payroll Section promptly.
- The Chief Finance Officer must maintain records for pension, income tax and national insurance.

6.4 CREDITORS AND DEBTORS

- 6.4.1 The Chief Finance Officer is responsible for ensuring the operation and maintenance of effective systems for the payment of creditors and the collection of monies from debtors across the range of Council services.

6.5 CONTRACTS

- 6.5.1 The full rules for contracts are contained in **CONTRACT PROCEDURE RULES** as contained in the Councils Constitution. These must be followed by all staff in all procurements. Even the smallest purchases must be made in accordance with these rules and principles.

To summarise they are –

Goods and Services inclusive of VAT

up to £5,000	one written estimate/quotation (email included)
£5,001 - £30,000	two quotations
£30,001 - £75,000	three independent quotations (no group relationship) (RFQ)
£75,001 – FTS (£207,720)	four independent quotations (no group relationship) (RFQ)

Note:

RFQ (Requests for Quotation) is the Council's preferred method of undertaking procurement within the value thresholds as identified above. See contract Procedure Rule 8.2 for further details.

1. Contracts falling within the different categories of Goods, Services and the carrying out of Works have value thresholds placed on them by the legislation. When the estimated value of an individual contract (cumulative value not annual expenditure) is likely to exceed UK thresholds, by law the Council must comply with the full UK procurement regime. Officers should seek advice from Procurement Lincolnshire.

Includes similar types of process e.g. looking up from a catalogue.

Works contracts as above until – inclusive of VAT

£207,720 - £5,336,937	Five independent quotations (no group relationship) or by advertisement
Over £5,336,937	full UK tender process (ITT)

- 6.5.2 Payments will only be made on the written authorisation of the officer responsible for the contract. This officer will also give written authorisation for any extras or variations.

- 6.5.3 Payments made on instruction for construction and construction related contracts should be recorded in detail by the relevant **Director/Assistant Chief Executive** or Project Manager.

6.6 ORDERING

- 6.6.1 All orders/purchases of goods and services must comply with the Council's Contract Procedure Rules and Procurement Strategy.
- 6.6.2 No creditor shall be paid or debtor be invoiced other than through systems operated by the Chief Finance Officer or otherwise specifically approved by him/her. All orders (excluding those at 6.6.2) must be input to, authorised and produced from the Council's purchasing system or by using a Procurement Card.
- 6.6.3 Official orders shall be issued for all work, goods or services to be supplied to the Council except for supplies from public utility services, for periodical payments such as rent or rates, for petty cash purchases or such other exceptions as the Chief Finance Officer may approve. In cases of emergency, orders may be given orally and confirmed in writing. Official orders for work, goods and services shall be in a form approved by the Chief Finance Officer.
- 6.6.4 Orders can only be signed by officers authorised by the **Director/Assistant Chief Executive** concerned who is responsible for official orders issued from their service area. Any changes will be notified to the Procurement Team by the **Director/Assistant Chief Executive**.
- 6.6.5 No order for work, goods or services can be given which will commit the Council to expenditure unless a budget exists to incur that expenditure.
- 6.6.6 Official orders must not be raised for any personal or private purchases, nor should personal or private use be made of Council contracts.
- Any purchase of IT software or hardware (except consumables) must be made through the ICT Service.
- 6.6.7 A **Director/Assistant Chief Executive** may order goods to be supplied or work to be done by requisition on another service area on any occasion where more favourable terms are obtainable by this method than would be the case by direct ordering.
- 6.6.8 It may be advantageous for supplies to more than one service area to be ordered from one source, for example to take advantage of bulk purchasing. The Procurement Team will be able to assist with these instances and shall be responsible for co-ordinating the arrangements.
- 6.6.9 The signatory of the order must be satisfied that the goods and services ordered are appropriate and needed, that there is adequate budgetary provision and that quotations or tenders have been obtained if necessary. Value for money should always be obtained.
- 6.6.10 Goods and services must be checked on receipt to ensure they are in accordance with the official order. This check should, where practicable, be carried out by a different officer to the officer who signed the original order.
- 6.6.11 On receipt of goods, entries must be made in inventories or stocks records as appropriate.
- 6.6.12 Separation of duties at different stages of ordering and paying for goods should be in place.

- 6.6.13 All orders must be recorded, along with delivery and receipt of invoice.
- 6.6.14 No orders should be placed that will commit the Council to a loan, leasing or rental arrangement without the prior approval of the Chief Finance Officer and a **Director/Assistant Chief Executive**.
- 6.6.15 Open orders should only be used where unavoidable and with the permission of the Chief Finance Officer. In the situation where an open order has been issued e.g. for a call-off contract, the order must have a clear end date, which may be no later than 31st March following the date of issue.
- 6.6.16 Verbal orders lessen the control of the Council over expenditure and must be avoided wherever possible. Even if a supplier states that they do not require or want an **electronic** order, one should be produced and dispatched as standard. Unless there is a genuine reason e.g. for a standard utility supply, an order must always be issued.

6.7 PAYING FOR GOODS

- 6.7.1 Financial Services will provide an efficient payments service both by the regular weekly payment procedures and by urgent payment at any time. Unless in dispute, payments should be made within 30 working days and passed for timely payment.
- 6.7.2 **Directors/Assistant Chief Executives** are responsible for ensuring that payments, on a proper VAT invoice, are certified. This certification indicates that –
- Works, goods or services have been received satisfactorily;
 - That expenditure has been properly incurred and is within budget provision;
 - Contract Procedure Rules and Financial Procedure Rules have been followed;
 - Prices and arithmetic are correct and accord with quotations, tender, contracts or catalogue prices
 - The invoice is coded correctly;
 - Discounts have been deducted where appropriate;
 - Orders, inventories and stores records have been marked or updated as necessary;
 - The invoice has not already been paid.
- 6.7.3 Payment must not be made on a photocopied or faxed invoice (unless the original invoice has been mislaid), a statement or other document other than the formal invoice.
- 6.7.4 Payments to suppliers should be by the most economical means (BACS transfer or CHAPS payment) for the Council. Direct Debit or Standing Orders may be used with the agreement of the Chief Finance Officer. Authorisation of the BACS/CHAPS files is required before submitting to the bank. This authorisation also includes for payments in excess of **£10,000**.
- 6.7.5 Certification of interim and final contract payments, checking, recording and authorising these payments, the system for monitoring and controlling capital schemes and the procedures for validation of sub-contractors' tax status must be documented and agreed with the Chief Finance Officer.

6.7.6 No loan, leasing or rental arrangements may be entered into without prior agreement from the Chief Finance Officer and the Legal advisors. The agreement must also be authorised by a **Director/Assistant Chief Executive**.

6.7.7 No payment shall be made to any organisation in advance of goods or services being rendered to the Council except in instances of subscriptions, memberships, training courses etc. and must be approved by the chief finance officer.

6.7.8 Financial Services will:

- Monitor direct debits to ensure the correct amounts are paid;
- Monitor procurement cards to ensure their correct usage;
- Maintain up to date creditor records and payments history and be responsible for the running of the system;
- Ensure that the Council's responsibilities regarding prompt payment within 30 working days are monitored and met;
- Maintain an up to date list of authorised signatories including officers authorised to approve payments electronically or by procurement card;
- Ensure limits are reviewed and amended, if necessary, on a regular basis.

6.7.9 **Directors/Assistant Chief Executives** must inform the Procurement Team of any changes, additions or deletions to the list of authorised signatories and provide specimen signatures.

6.7.10 Key Controls

The key controls are:

- All goods and services are requisitioned only by appropriate persons and are correctly recorded;
- Requisitions shall only be issued where budgetary provision exists to pay for the goods and services to be supplied;
- All goods and services shall be requisitioned in accordance with the Council's Contract Procedure Rules and Procurement Strategy unless they are purchased from sources within the Council;
- Goods and services received are checked to ensure they are in accordance with the requisition. Goods should not be receipted by the person who authorised the order;
- Payments are not made unless goods have been received by the Council, to the correct price, quantity and quality standards;
- All payments are made to the correct person/supplier, for the correct amount and are properly recorded, regardless of the payment method;
- All appropriate evidence of the transaction and payment documents are retained and stored for the defined period, in accordance with guidance issued by the Chief Finance Officer;
- All expenditure is accurately recorded against the right budget, any exceptions are corrected and VAT is recorded against the relevant VAT code;
- In addition, the use of e-commerce and electronic purchasing requires that processes are in place to maintain the security and integrity of data for transacting business electronically.

- 6.8.2 Councillors and officers may incur expenses in the course of their Council duties. Approved expenses will be reimbursed to the individual. Normally the need to incur expenses will be approved in advance and shall be incurred in the most cost-effective way.
- 6.8.3 All expense claims are to be submitted to Human Resources by the fifth working day of the month for inclusion in that month's payroll.
- 6.8.4 All payments for allowances etc. will be made through payroll.
- 6.8.5 Expense claims will only be paid on approved forms. Councillors also have specific claim forms for making claims. For officers these must be authorised by the claimant's line manager. For Councillors these must be authorised by the Monitoring Officer or other nominated officer.
- 6.8.6 All Councillors and officers submitting claims for expenses shall confirm that the claim is in respect of legitimate and authorised expenditure that has been incurred on Council business.
- 6.8.7 Certification by a line manager shall be taken to mean that the certifying officer is satisfied that those journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the Council.
- 6.8.8 All car allowances will be paid through the Council's Payroll System. The use of procurement cards should be encouraged whenever rail travel is contemplated.
- 6.8.9 Officers are responsible for arranging appropriate motor insurance to cover any travelling on Council business. Human Resources may inspect an officer's driving licence or any other document relating to a vehicle which is used on Council business.
- 6.8.10 Each claim must be promptly submitted for payment and must be presented on a form clearly detailing the expenditure incurred, supported by VAT receipts where applicable, dated, coded, and signed by the claimant and counter signed by the appropriate authorising officer. Promptly is defined as monthly for large transactional or high value claims, or quarterly for small transactional or low value claims. In either case, all claims relating to a previous financial year must be presented to payroll for payment by the 10th April each year.
- 6.8.11 Key Controls
- The key controls are:
- Claims will only be paid in accordance with approved schemes;
 - Claims must be made on official forms and correctly authorised.

6.9 PETTY CASH/IMPREST ACCOUNTS

- 6.9.1 Petty cash/imprest accounts facilitate minor, routine transactions, where raising an official order and processing an invoice through the Creditor system would be neither realistic nor cost effective.
- 6.9.2 Petty cash will be held at various sites but should only be used as a last

resort if either the use of a Procurement Card, the Purchasing system or reclaim as expenses through payroll is not practical.

- 6.9.3 All petty cash/imprest accounts are arranged through the Chief Finance Officer, will be at a level agreed between the Chief Finance Officer and appropriate service **Director/Assistant Chief Executive** and will be reviewed annually.
- 6.9.4 Financial Services in conjunction with the **Director/Assistant Chief Executive** will approve any further petty cash advance during the year.
- Up to **£50** can be paid out by another holder of petty cash.
 - Receipted VAT vouchers are required to back up claims.
 - Claims are to be signed by Authorised Officers only.
 - Internal audit will carry out spot tests on balances.
 - All cash holding will require a signed certificate, by the account holder, at the end of each financial year. These will be requested and received by Financial Services as soon as possible after the end of the financial year.
- 6.9.5 Payments relating to the following headings must not be made from petty cash/imprest accounts:
- Salaries or Wages;
 - Sub-contractors;
 - Officers' Travelling and Subsistence;
 - Fees to Individuals.
- 6.9.6 **Directors/Assistant Chief Executives** can hold cash floats, following consultation with the Chief Finance Officer, strictly for the purpose of giving change and they will arrange for regular reconciliations.
- 6.9.7 Written records of variations must be kept. The **Directors/Assistant Chief Executives** must account for the amount held as requested by the Chief Finance Officer and in particular on leaving the employ of West Lindsey District Council or otherwise ceasing to hold the cash float.
- 6.9.8 removed**
- 6.9.9 Only the original advance and reimbursements will be credited to the account – no other income can be credited to a petty cash/imprest account. All income must be banked in accordance with the appropriate Financial Procedure Rule.
- 6.9.10 Each **Director/Assistant Chief Executive** will compile and maintain a schedule of all Officers who have been authorised to operate a petty cash/imprest account.
- 6.9.11 Officers operating a petty cash/imprest account must:
- Obtain and retain petty cash vouchers, showing full details of the payment vouchers to support each payment from the petty cash/imprest account;
 - Make adequate arrangements in their office for the safe custody of the account;
 - Produce, upon demand of the Chief Finance Officer, cash and all vouchers to the total value of the petty cash/imprest account;
 - Record transactions properly;

- Reconcile and balance the account at least monthly; reconciliation sheets to be signed and retained by the petty cash/imprest holder;
- Provide the Chief Finance Officer with a certificate of the value of the account held at 31 March in accordance with the timetable to be issued by the Chief Finance Officer;
- Ensure that the account is never used to cash personal cheques or to make personal loans and that payments into the account are the reimbursement of the float and change relating to purchases where an advance has been made;
- On leaving the Council's employment or otherwise ceasing to be entitled to hold a petty cash/imprest advance, an officer shall account to the **Director/Assistant Chief Executive** for the amount advanced to him/her.

6.9.12 Vouchers must be:

- Authorised by the budget holder, or nominated representative, in advance of the purchase wherever possible;
- Signed by the person making the purchase or payment to acknowledge that they have received the amount shown on the voucher;
- Accompanied by an invoice/receipt other than in exceptional circumstances. Where appropriate this should be a valid VAT invoice/receipt.

6.9.13 A claim form must accompany every claim for reimbursement. In preparing the claim, it is important to ensure that:

- Properly certified vouchers and VAT invoices/receipts must be provided in support of every item included in the claim;
- Full details of the net cost, the VAT and the total paid are completed for every entry on the claim;
- Expenditure is accurately coded and all recoverable VAT has been taken;
- The total value, including bank account where applicable, is reconciled to the nominal amount of the petty cash/imprest account;
- All certifications are properly completed on the claim form by authorised signatories.

6.9.14 All non-computerised records relating to petty cash/imprest accounts shall be maintained in ink.

6.9.15 If circumstances arise where the amount of a petty cash/imprest account becomes excessive, the responsible officer shall make appropriate arrangements to pay the excess amount back to the Chief Finance Officer.

6.9.16 Every temporary or permanent transfer of a petty cash/imprest account from one officer to another shall be evidenced by the signature of the receiving officer. This will be either through a formal receipt or a document maintained for that purpose.

6.9.17 Key Controls

The key controls are:

- Petty Cash/Imprest Accounts can only be established with the approval of the Chief Finance Officer;
- An individual must be responsible for the operation, maintenance and

accounting of each imprest account.

6.10 INCOME AND CASH HANDLING

- 6.10.1 The Chief Finance Officer is responsible for ensuring that adequate systems are available and are maintained, for the recording of all income by the Council.
- 6.10.2 It is the responsibility of every officer of the Council to ensure that all sums of money due to the Council are promptly invoiced or otherwise demanded and that all sums of money received are promptly paid into the Council's accounts.
- 6.10.3 Sums received should be held securely prior to being paid in.
- 6.10.4 Sums paid in should be correctly referenced and receipted during the day of receipt.
- 6.10.5 Sums received should be paid in fully intact with differences in excess of **£20** between actual cash and recorded cash being reported to the Chief Finance Officer.
- 6.10.6 There must be a clear separation of duties between the provision of information regarding sums due to or from the Council and the duty of collecting income or making payments;
- 6.10.7 Officers responsible for examining and checking the accounts or cash transactions shall not themselves be engaged in those transactions unless specifically authorised by the Chief Finance Officer.
- 6.10.8 Wherever possible, officers will secure payment in advance is made before a service is provided.
- 6.10.9 All income due to the Council must be processed accurately and securely through one of the primary income systems (e.g. NNDR, Council Tax, Debtors).
- 6.10.10 Official receipts, signed by an authorised officer, must be given on receipt of income.
- 6.10.11 All receipt forms, books, tickets etc. shall be in an official form. Income stationery should be stored securely. The security of stationery is subject to Internal Audit inspection.
- 6.10.12 The Chief Finance Officer must be provided with details relating to work done, goods supplied or services rendered or other amounts, to enable the sums due to the Council to be recorded correctly and to ensure accounts are sent out promptly.
- 6.10.13** Outstanding debts are to be pursued promptly, actively and appropriately. Service areas must assist the Chief Finance Officer in collecting debts that they have originated, by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf, including providing evidence in legal proceedings. **It is understood that uncollected debts will be a cost to the bad debt provision.**

- 6.10.14 All income must be paid fully and promptly into the appropriate bank account in the form in which it is received. Income documents must be detailed enough to provide a complete audit trail to the Council's General Ledger.
- 6.10.15 All cash taken must be reconciled to till receipts and all deposited cash/cheques should be counted and verified.
- 6.10.16 At least two officers must be present when post is opened in service areas where income is regularly received so that money received by post is properly identified and recorded.
- 6.10.17 Adequate security arrangements must be in operation to safeguard all income against loss or theft and to ensure the security of cash handling. These arrangements to include the provision that all cash kept on the premises will be within the insurance limit of **£5,000**.
- 6.10.18 The value and quantity of outstanding debts will be regularly reviewed by reference to an aged debt report. Write-offs will only take place as a last resort after all other economic/social solutions have been exhausted. These are detailed under "Assets – Disposal by Write-off" under Financial Procedure Rule 5.4. I.e. the Chief Finance Officer can authorise write offs up to **£1,500** with further approvals being required in excess of this sum.

6.10.19 Key Controls

The key controls are:

- An approved Fees, Charges and Concessions Policy which is regularly reviewed;
- Correct procedures and the appropriate stationery ensure that income is collected from the correct person at the right time;
- Separation of duties within the income process;
- Effective action is taken to pursue non-payment within defined timescales;
- Formal approval process for debt write-off;
- All appropriate income documents are retained and stored for the defined period in accordance with guidance issued by the Chief Finance Officer;
- Money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process.

6.11 TAXATION

- 6.11.1 The Chief Finance Officer is responsible for advising **Directors/Assistant Chief Executives**, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Council. Any VAT or taxation queries should be directed to the Chief Finance Officer
- 6.11.2 The Chief Finance Officer is responsible for ensuring that adequate procedures are in place and adequate advice available to services so as to ensure that the Council is at all times compliant with the specific requirements of the various tax regimes which affect its operations and delivery of services.
- 6.11.3 The Chief Finance Officer is responsible for maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax

returns by their due date as appropriate. In appropriate circumstances (e.g. where part of this function may have been devolved to a partner organisation) the Chief Finance Officer will ensure compliance with the requirements of the particular tax regimes.

- 6.11.4 Financial Services will prepare the VAT return each month and the Chief Finance Officer will ensure appropriate checks are undertaken before the return is submitted to HMRC.
- 6.11.5 Financial Services will complete annually a partial exemption calculation. If it is thought that the 5% threshold could be breached monitoring will take place on monthly basis.
- 6.11.6 Major projects could have a significant VAT impact and advice should be sought from the Chief Finance Officer before tenders are let.
- 6.11.7 The Chief Finance Officer will authorise all relevant HMRC returns regarding PAYE or authorise the relevant payroll provider to make returns on behalf of the Council.
- 6.11.8 The Chief Finance Officer will provide details to HMRC regarding the construction industry tax deduction scheme.
- 6.11.9 The Chief Finance Officer will accommodate all compliance visits and make available all information required and requested by inspectors.
- 6.11.10 Each **Director/Assistant Chief Executive** will at all times conduct the financial arrangements of their services, with regard to taxation issues, in accordance with advice or instructions issued by the Chief Finance Officer and shall provide any related information or documents upon request.
- 6.11.11 All returns must comply with the relevant formats and timetables for submission.
- 6.11.12 All taxable transactions shall be identified, properly carried out and accounted for within stipulated timescales.
- 6.11.13 Officers shall be nominated by the Chief Finance Officer to take responsibility for taxation issues and liaison with agencies such as the HMRC.
- 6.11.14 Key Controls

The key controls are:

- Budget managers are provided with 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.

6.12 TRADING ACCOUNTS

- 6.12.1 It is the responsibility of the Chief Finance Officer to advise on the establishment and operation of trading accounts throughout the Council.
- 6.12.2 Under the CIPFA Service Accounting Code of Practice, Councils are required to keep trading accounts for services provided on a basis other than straightforward recharge of cost. Accounts that merely recharge cost are referred to as holding accounts and are not subject to this part of the Financial Procedure Rules.
- 6.12.3 Trading accounts will only be established after seeking advice from the Chief Finance Officer.
- 6.12.4 Trading accounts are only applicable where the charge out of the account is not on the basis of cost.
- 6.12.5 A separate revenue account must be maintained for each trading account. This will show all relevant income and expenditure, including overhead costs. A financial report supporting the final accounts will be produced.
- 6.12.6 The same accounting principles will be applied to trading accounts as to other services.
- 6.12.7 Trading account balances will be allowed where real or quasi trading accounts are used to manage costs. Balances will be maintained to allow flexible response to changes to demand and/or to meet defined future capital expenditure needs. Generally such balances should not exceed 20% of the annual turnover. Balances in excess of this limit should be returned to the General Reserve.

6.12.8 Key Controls

The key controls are:

- They must be maintained in accordance with proper accounting practices;
- They must appear separately in the Annual Statement of Accounts.

6.13 CREDIT/PURCHASING CARDS

- 6.13.1 The Chief Finance Officer is responsible for the issue of Credit/Purchasing cards to senior officers of the Council, including setting merchant categories and card limits.
- 6.13.2 All Credit/Purchasing cards must be held securely. Card details and PIN numbers must not be disclosed other than for the purposes of using the card for payments. Cardholders will be held personally liable for any expenditure they cannot account for.
- 6.13.3 On a monthly basis, a record of card purchases shall be maintained by individual cardholders and reconciled to the card statement provided by the card issuer. This record should be passed to Finance for processing.

- 6.13.4 Credit/Purchasing cards shall only be used for authorised purchases. Under

no circumstances shall they be used for personal expenditure, or periodic/direct debit payments.

6.13.5 No cash withdrawals are allowed and the card will block any attempts to do so. The chief finance officer is permitted to withdraw cash in an emergency situation

6.13.6 In all circumstances every purchase with VAT will require a VAT receipt in order for the statement to be accounted for correctly.

6.13.7 Key Controls

The key controls are:

- The Credit/Purchasing cards have a monthly and individual transaction limit;
- The categories of spend are limited to the officers professional duties;
- They are reconciled each month by the cardholder and Finance.

6.14 CHANGE FLOATS

6.14.1 The Chief Finance Officer shall provide such change floats as he/she considers appropriate to officers of the Council to undertake their official duties.

6.14.2 Payments of any kind must not, under any circumstances, be made out of change floats. Any breach of this regulation may result in disciplinary proceedings taking place against the officer concerned.

6.14.3 If circumstances arise where the amount of a change float becomes excessive, the responsible officer shall make appropriate arrangements to pay the excess amount back to the Chief Finance Officer.

6.14.4 Every temporary or permanent transfer of a change float from one officer to another shall be evidenced by the signature of the receiving officer. This will be either through a formal receipt or a document maintained for that purpose.

6.14.5 Key Controls

The key controls are:

- Change floats can only be established with the approval of the Chief Finance Officer;
- An individual must be responsible for the operation, maintenance and accounting of each change float;
- No payments should go either in or out of the change float.

7 REGULATION 7 - EXTERNAL ARRANGEMENTS

7.1 INTRODUCTION

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

7.2 PARTNERSHIPS

General

7.2.1 Partnerships are likely to play a key role in delivering community strategies and in helping to promote and improve the well-being of the area. The Council is working in partnership with others – public agencies, private companies, community groups and voluntary organisations, and its distinctive leadership role is to bring together the contributions of the various stakeholders to deliver a shared vision of services based on user wishes.

7.2.2 The Council will mobilise investment, bid for funds, champion the needs of the area and harness the energies of local people and community organisations. The Council will be measured by what it achieves in partnership with others.

7.2.3 The main reasons for entering into a partnership are:

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

7.2.4 A partner can be defined as:

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

7.2.5 Partners participate in projects by:

- Acting as a project deliverer or sponsor, solely or in concert with others;
- Acting as a project funder or part funder; and
- Being the beneficiary group of the activity undertaken in a project.

7.2.6 Partners have common responsibilities:

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

Roles and Responsibilities

7.2.7 The Prosperous Communities Committee is responsible for overseeing an effective partnership approach throughout the Council. The Prosperous Communities Committee is responsible for approving protocols, delegations, including frameworks to inform decisions around partnership engagement. The Prosperous Communities Committee is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs.

7.2.8 The Prosperous Communities Committee can delegate functions, including those relating to partnerships, to officers. These are set out in the Scheme of Delegation that forms part of the Council's Constitution. Where functions are delegated, the Prosperous Communities Committee remains accountable for them to the full Council.

7.2.9 The Chief Finance Officer is authorised to form a partnership arrangement with a maximum value of work/services of £25k.

7.2.10 The Council has also approved an Approved Code of Practice (ACOP) for Partnerships. To that extent, guidance has been developed that sets out a number of considerations to be explored when:

- Entering into a partnership
- Reviewing the effectiveness of a partnership during its lifespan
- Exiting a partnership

Additionally, it is important that there is a corporate view of all partnerships. To enable this a partnership register has been created on Minerva to provide colleagues with a facility to record the partnerships they are involved with and to also provide visibility of the breadth of partnership working underway across the Council. Officers are required to comply with the Partnership ACOP and enter details of all approved partnerships into the Partnership Register.

7.2.11 Members and officers will represent the Council on partnership and external bodies in accordance with the Scheme of Delegation.

7.2.12 The Chief Finance Officer:

- Is responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Council;
- Will advise on effective controls to ensure that resources are effectively and efficiently employed;
- Will advise on project funding, including scheme appraisal, risk appraisal, resourcing and taxation, audit, security, control and accounting arrangements;
- Must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are satisfactory;
- Must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

7.2.13 **Directors/Assistant Chief Executives:**

- Are responsible for ensuring that appropriate approvals are obtained before any negotiations are concluded in relation to work with external bodies;
- Must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies.
- Maintain a register of contracts entered into with external bodies;
- Comply with the provisions of the Partnership ACOP including registering the partnership details in the Partnership Register.
- Ensure a risk management appraisal has been prepared;
- Conduct and document an appropriate level of due diligence on the prospective partners;
- Ensure all agreements and arrangements are properly documented.

7.2.14 Partners will be expected to:

- Be aware of their responsibilities under the Council's Financial Procedure Rules and Contract Procedure Rules;
- Identify and assess risks;
- Appraise projects to assess viability;
- Communicate with relevant Council officers

7.2.15 Key controls

The key controls are:

- If appropriate, to be aware of their responsibilities under the Council's Financial Procedure Rules and the Contract Procedure Rules;
- Compliance with the Partnership ACOP.
- To ensure that risk management processes are in place to identify and assess all known risks;

- To ensure that project appraisal processes are in place to assess the viability of the project in terms of resources, staffing and expertise;
- To agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project commences; and
- To communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution officers.

7.3 COMPANIES, JOINT VENTURES AND OTHER ASSOCIATIONS

- 7.3.1 The Council exercises an important community leadership role, helping to bring together the contributions of various stakeholders in discharging its statutory responsibilities for promoting and improving the economic, social and environmental well-being of the area.
- 7.3.2 In exercising this important role a **Director / Assistant Chief Executive** may feel that it is appropriate to discharge a service or provide a function through the formation of a new legal entity (company, joint venture or other association). A joint venture is a business entity created by two or more parties, generally characterised by shared ownership, shared returns and risks, and shared governance. The term joint venture covers 'vehicles' such as limited companies.
- 7.3.3 The relevant **Director/Assistant Chief Executive** wishing to form a new legal entity should consult with the Chief Finance Officer in all cases prior to setting up a new entity and no commitment, financial or otherwise, should be made until this consultation has been satisfactorily undertaken.
- 7.3.4 For the purpose of this regulation, the following types of external arrangements are covered:
- purchase of existing companies
 - investment in any company (whether by share, loan or grant)
 - creation of a new company or other entity
- 7.3.5 No agreement shall be entered into which commits the Council to additional expenditure or other financial risk without the prior approval of the **Thriving Council Committee** and in conjunction with the Chief Finance Officer
- 7.3.6 The Council needs to have a clear understanding of its financial risk exposure of any external arrangement including, but not limited to, meeting any trading or other losses.
- 7.3.7 Where the Council is involved as a minority interest in any external company or other association that use their own finance systems, the arrangement must include an agreement on appropriate, robust financial governance control arrangements to the satisfaction of the Chief Finance Officer. In these circumstances the controls in these Financial Regulations should be used as a starting point for that agreement.
- 7.3.8 Where the Council has a controlling interest in any companies, joint ventures, or other associations it is important to understand that the Council has a statutory responsibility to prepare group accounts (subject to certain limitations) to recognise the collaborative association. In this regard there are two main areas impacting on the entity:

- A requirement to provide certain financial information (intercompany transactions and balances etc.) in a timely manner and at a time determined by the Council.
- The possibility of being subjected to additional scrutiny by the Councils external auditor, even where the entity has its own external auditor.

7.3.9 It would also be preferred that the accounting period and accounting policies are aligned with those of the Council.

7.3.10 In view of the importance of the above and the impact on the Council should the information not be forthcoming, these specific requirements shall be written into any agreement between the Council and the entity.

Roles and Responsibilities

7.3.11 The **Thriving Council Committee** is responsible for approving the creation of any new legal entity and appointments of directors or other statutory officers onto the Board of the entity together with the arrangements for equity shares.

7.3.12 The Chief Finance Officer must satisfy him/herself that the accounting arrangements for all company, joint ventures and other associations are proper and appropriate, including all audit and inspection requirements. He/she must also consider overall corporate governance arrangements and any legal and taxation issues when associations are arranged. He/she must ensure all known risks are appraised before creating new entities and any agreements should seek to ensure that VFM is obtained.

7.3.13 In conjunction with the **Director/Assistant Chief Executive** the Chief Finance Officer will carry out due diligence for any proposal to purchase an existing company so as to ensure the robustness of the proposal and mitigate any potential losses.

7.3.14 The Chief Finance Office is responsible for advising on the funding and financing of a project including:

- financial viability in current and future years.
- resourcing and taxation.
- audit, security and control requirements.

7.3.15 The Chief Finance Officer has authority to approve short term cashflow loans to subsidiary companies to a maximum of **£25k**.

7.3.16 The Chief Finance Officer should ensure that it is a condition of any collaborative arrangements where the Council has an interest in another entity that:

- governance arrangements meet specified minimum standards.
- the Council will have access to the information and explanations it needs for its own accounting purposes (and other aspects relating to control over its financial interests).
- data (including consolidation data) will be provided in a specified format and by a deadline.
- arrangements are in place for timely audit of the financial statements
- securing the appropriate audit opinion on the entity's financial information.

7.3.17 **Directors/Assistant Chief Executives** are responsible for:

- In conjunction with the Chief Finance Officer carry out due diligence on any company purchase so as to mitigate any potential losses.
- carry out risk appraisal and risk management arrangements prior to entering into any arrangement.
- determining a means of communication in order for the Council to discharge any responsibility for compiling group accounts.
- notify the Chief Finance Officer in any changes to the Board members of the entity.
- keeping the **Thriving Council Committee** apprised, at least annually, of the financial position of the entity and specifically where any change could involve the Council having to meet the cost of any losses or other liabilities. Should there be any significant concern at any point during the year then this should be reported immediately.
- ensuring that such agreements and arrangements do not impact adversely upon the services provided by the Council;
- ensuring that all agreements and arrangements are properly documented.
- providing appropriate information to the Chief Finance Officer to enable relevant entries to be made in the Council's Statement of Accounts concerning material items.
- ensuring that for all instances of grant/loan funding there is:
 - i) proper consideration of the relevant interest rate payable agreed and approved by the Chief Finance Officer;
 - ii) in respect of loans a process of monitoring on at least a six monthly basis
 - iii) a written agreement is in place for any services provided to the entity by the Council.
- all grants/loans must have prior budgetary approval, typically through the budget process.
- aligning accounting policies, especially consideration of the cost implications of asset valuation.
- managing the impact of different year-ends, including practicalities of realignment.

7.3.18 Key Controls

The key controls are:

- In conjunction with the **Director/Assistant Chief Executive**, the Chief Finance Officer will carry out appropriate due diligence in relation to financial implications and of relevant parties associated with the entity.
- The **Thriving Council Committee** is responsible for approving the creation of any new legal entity and appointments of directors or other statutory officers onto the Board of the entity.

- The prior approval of the **Thriving Council Committee**, in conjunction with the Chief Finance officer, is required before any agreement is entered into.
- **Directors/Assistant Chief Executives** will undertake risk appraisals and risk management arrangements prior to entering into any arrangement.
- On an annual basis the **Thriving Council Committee** will be appraised of the financial position of the entity and specifically where any change could involve the Council having to meet the cost of any losses or other liabilities. Any financial concerns should be reported immediately.

7.4 EXTERNAL FUNDING / GRANTS General

7.4.1 External funding is potentially a very important source of income, but funding conditions need to be carefully considered to ensure that they are compatible with the aims and objectives of the Council. Funds from external agencies provide additional resources to enable the Council to deliver services to the local community. However, in some instances, although the scope for external funding has increased, such funding is linked to tight specifications and may not be flexible enough to link to the Council's overall plan.

Bids for external funding

7.4.2 Bids must be comprehensive and comply with relevant Council policies. If bids are successful then the grant works and administration must be properly undertaken to ensure no penalties are incurred.

7.4.3 All bids and claims must be signed by the Chief Finance Officer, through the use of a certification process.

7.4.4 **Directors/Assistant Chief Executives must obtain Management Team and/or Thriving Council Committee approval, where a successful award of grant would commit the Council to additional expenditure, for any bids for new monies detailing the service and financial implications before grant applications are made.**

7.4.5 Comprehensive project business cases must identify associated risks, internal budget provisions including matched funding and any resource implications.

7.4.6 The relevant Finance Business Partner must be involved in the preparation of all grant applications.

Grant Claims

7.4.7 Records supporting any claim, including interim and final claims, must be maintained and available and reconcile back to the Council's General Ledger.

7.4.8 All claims must be submitted in accordance with the terms and timetable of the grant.

Roles and Responsibilities

- 7.4.9 The Chief Finance Officer and Management Team are responsible for:
- Ensuring that all funding notified by external bodies is received and properly recorded in the Council's accounts;
 - Ensuring that match-funding requirements are considered prior to entering into agreements, and that these requirements are reflected in future revenue budgets;
 - Ensuring that all audit requirements are met.
- 7.4.10 **Directors/Assistant Chief Executives** are responsible for providing the Chief Finance Officer with all necessary information to enable the proper recording to be achieved. They have the responsibility for submitting any proposed grant funded projects to the Chief Finance Officer and/or the **Thriving Council Committee** for their prior approval and they must also ensure that any conditions of grant funding are met and all the statutory requirements are complied with.
- 7.4.11 **Directors/Assistant Chief Executives** will ensure that an appropriate level of due diligence is conducted and documented on the funding organisations and any associated project(s).
- 7.4.12 **Directors/Assistant Chief Executives** will ensure that the project proceeds in accordance with the agreed plan and that all expenditure is properly incurred and recorded;
- 7.4.13 Key Controls
- The key controls are:
- Before any arrangements for external funding are entered into, the project must be submitted to the Chief Finance Officer and or Portfolio Board/Policy & **Thriving Council Committee** for approval;
 - To ensure that any match-funding requirements are given due consideration prior to entering into long-term agreements and that future revenue budgets reflect these requirements;
 - To ensure that funds are acquired only to meet the priorities approved in the policy framework by the full Council;
 - To ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the accountable body are clearly understood;
- 7.5 WORK FOR THIRD PARTIES**
- 7.5.1** The **Thriving Council Committee** is responsible for approving the contractual arrangements for any work for third parties or external **bodies in line with contract procedure rules.**
- 7.5.2** The Chief Finance Officer is responsible for approving contractual arrangements for any work for third parties or external **bodies in line with contract procedure rules.**
- 7.5.3 Current legislation enables the Council to provide a range of services to other bodies. Such work may enable a service team to maintain economies

of scale and existing expertise. Arrangements should be in place to ensure that any risks associated with this work is minimised and that such work is intra vires.

7.5.4 Proposals for working for third parties must be costed in accordance with guidance provided the Chief Finance Officer. Proposals must clearly be in the public interest and an appropriate level of due diligence must have been conducted and documented.

7.5.5 Work for third parties should not expose the Council to any additional liabilities.

7.5.6 Contracts must be drawn up in compliance with guidance provided by the Chief Finance Officer and Monitoring Officer.

7.5.7 Key Controls

The key controls are:

- To ensure that proposals are costed properly in accordance with guidance provided by the Chief Finance Officer;
- To ensure that contracts are drawn up using guidance provided by the Chief Finance Officer and the Monitoring Officer, and that the formal approvals process is adhered to;
- To issue guidance with regard to the financial aspects of third party contracts and the maintenance of the contract register.

8 **REGULATION 8 - ENVIRONMENTAL ISSUES**

8.1 **INTRODUCTION**

8.1.1 The Council operates a culture of waste minimisation. This covers not only waste products that require disposal, but also the waste in use of all resources generally.

8.1.2 All procurement in the Council is subject to the Contract Procedure Rules, Procurement Strategy, Procurement Manual and any other guidance which may be issued. Fundamental to good procurement is the need to achieve value for money. An optimum combination of whole life costs and quality (or fitness for purpose) to meet the Council's corporate and service level aims and objectives must be considered. These will include sound environmental practice. Further information can be found in the documents referred to above or from Financial Services.

8.1.3 Paper and storage space are both expensive and unnecessary paper usage is harmful to the environment. All officers are responsible for reducing paper use wherever possible and reducing the amount of paper that is stored. However, certain financial records do need to be retained.

8.1.4 The Chief Financial Officer will:

- Maintain a list of financial records and the duration for storage;
- Advise officers as required on the archiving of financial records.

8.1.5 **Directors/Assistant Chief Executives** will:

- Retain records as required;
- Minimise the usage of paper within their service.

8.1.6 Key Controls

The Key controls are:

- All officers to be aware that printing is to be kept to a minimum;
- The introduction and monitoring of the agile working policy;

APPENDIX 1

SUMMARY OF FINANCIAL RESPONSIBILITIES

	Council/ Thriving Council Committee	Head of Paid Service	Chair of Thriving Council Committee	Section 151 Officer (Chief Finance Officer)	Directors/ Assistant Chief Executives
Financial Planning Page 97	a) Approve policy framework and budget	a) Propose Corporate Plan to Thriving Council Committee		a) Prepare a minimum of five years Financial Strategy b) Prepare Capital Investment Strategy and Asset Management Plan	a) Prepare Business Plans

Capital Programme	<ul style="list-style-type: none"> a) Approve a minimum three year capital programme b) Approve amendments to the capital programme. c) Approve capital schemes before commencement of work and upon completion. 	<ul style="list-style-type: none"> a) Emergency decisions in consultation with Chief Finance Officer 	<p style="text-align: center;">a</p>	<ul style="list-style-type: none"> a) Prepare a minimum five year capital programme b) Approve amendments to capital programme up to £25k with Director/Assistant Chief Executive. c) Approve amendments over £25k with Director/Assistant Chief Executive and Chairman of Thriving Council Committee d) Report all changes to capital programme to 	<ul style="list-style-type: none"> a) Complete outline capital bid forms b) Approve amendments to capital programme up to £25k with Chief Finance Officer
Capital Monitoring Page 98	<ul style="list-style-type: none"> a) Approve overspends of £10k or 20% of total project cost b) Note quarterly budget monitoring reports 			<ul style="list-style-type: none"> a) Issue guidance on monitoring 	<ul style="list-style-type: none"> a) Appoint Project Manager b) Notify Chief Finance Officer of expected slippage c) Notify Chief Finance Officer of overspends d) Report to CPR Committee on overspends of £10k or 20% of total project cost

Revenue Budget	a) Approve a minimum three year revenue budget			a) Prepare overall budget	a) Prepare service budgets b) Review all fees and charges
Revenue Monitoring	a) Note quarterly budget monitoring reports b) Authorise use of grants over £50k.			a) Provide guidance on budget monitoring b) Provide financial information c) Authorise use of grants up to £50k.	a) Monitor budget and advise Chief Finance Officer if budget will exceed £10k.
Virement	a) Approve virements over £100k		a	a) Approve virements up to £25k with Director/Assistant Chief Executive. b) Approve virements over £25k and up to £100k with Director/Assistant Chief Executive and Chairman of Thriving Council Committee	a) Up to £25k with Chief Finance Officer
Earmarked Reserves	a) Approve spend in excess of £50,000.			a) Approve spend up to £50,000.	
Write-Offs	a) Approve write-offs over £25k		a) Approve write-offs over £2,500 and up to £25k with Director/Assistant Chief Executive and Chief Finance Officer	a) Approve write-offs up to £2,500 with Director/Assistant Director. b) Approve write-offs over £1,500 and up to £25k with Director/Assistant Chief Executive and Chairman of Thriving Council Committee	a) Up to £2,500 with Chief Finance Officer
Write Offs	Budget Managers: Write offs of upto £250 where irrecoverable				

<p>Other</p> <p style="text-align: center;">Page 100</p>		<p>The Key controls are:</p> <ul style="list-style-type: none"> • All cheques must be signed, either manually or by facsimile, by the Head of Paid Service; • Cheques with a value of £10,000 or more need to be countersigned . • Bank Accounts can only be opened by the Head of Paid Service or the Chief Finance Officer. 		<ul style="list-style-type: none"> a) Authorise a partnership with a value of works/services of up to £25k. b) Approve arrangements for work for third parties or external bodies up to a value of £25k. c) Authorise short term cash flow loans to subsidiary companies of no more than £25k 	
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APPENDIX 2

RETENTION OF ACCOUNTING AND FINANCIAL DOCUMENTS

Title	Retention Period – Complete Years
Budget Working Papers	2
Capital & Revenue Budget Monitoring Files	3
Capital Strategy & Medium Term Financial Plan	6
Final Accounts Working Papers	6
Financial Ledger: - Final Summary - Cumulative Year End Detail - Other	Indefinite Indefinite 2
Grant Claim Records	6 or as specified by the awarding body
Journals	3
Leasing Records – vehicles, plant, equipment	3 (after termination)
Loans – Contractual documentation	6
Statement of Accounts	Indefinite
VAT: - Assessments - Claims - Records	12 6 6
Voluntary Fund Accounts	6
Other Documents e.g. official orders, receipts, paying in slips etc.	6
Payroll: Employee personal records Payment data	Indefinite 6

APPENDIX 3

DEFINITIONS

APPOINTED

AUDITORS

Independent external auditors procured by the

Council. BUDGET

A plan that matches spending with available resources. The budget is an authorisation for future expenditure and a base for controlling expenditure and income.

BUDGET MANAGER

The budget manager is whoever is responsible for a budget within a service.

BUDGET PAGE

The page in the Annual Budget Book that sets out the budget for a service

CAPITAL EXPENDITURE

Section 40 of the *Local Government and Housing Act 1989* defines 'expenditure for capital purposes'. This includes spending on the acquisition of assets either directly by the Council or indirectly in the form of grants to other persons or bodies. Expenditure that does not fall within this definition must be charged to a revenue account. Capital Expenditure includes:

- Acquisition or disposal of land, buildings and major items of plant, apparatus and vehicles;
- Construction of roads and buildings;
- Enhancement of land, roads and buildings.

In addition the Council usually regards any item below £10,000 as revenue.

CIPFA

Chartered Institute of Public Finance & Accountancy (CIPFA) is one of the leading professional accountancy bodies in the UK and has responsibility for setting accounting standards for local government.

CONTINGENCY

Money set aside in the budget to meet the cost of unforeseen items of expenditure, or shortfalls in income, and to provide for inflation where this is not included in individual budgets.

COST CENTRE

Any unit to which costs are assigned or allocated. A cost centre is the lowest level to which the Council's budget monitoring procedures usually apply although budget managers will monitor the income and expenditure within their costs centres at detail code level.

ESTIMATES

The amounts expected to be spent, or received as income, during an accounting period. The term is also used to describe detailed budgets, which are either being prepared for the following years, or have been approved for the current year.

FEES AND CHARGES

Income raised by charging users of services for the facilities. For example, Councils usually make charges for the use of leisure facilities, the collection of trade refuse, etc. The Council levies fees and charges in accordance with the corporate Fees, Charges and Concessions Policy.

GENERAL LEDGER

The core of the Council's financial records. These constitute the central "books" of the system, and every financial transaction flows through the general ledger.

NET EXPENDITURE

Total expenditure less specific service income.

OFFICER

An employee of the Council or other person contracted to carry out functions where these Financial Procedure Rules apply.

PROVISIONS AND RESERVES

Amounts set aside in one year to cover expenditure in the future. Provisions are for liabilities or losses that are likely or certain to be incurred, but the amounts or the dates on which they will arise are uncertain. Reserves are amounts set aside which do not fall within the definition of provisions and include general reserves (or 'balances'), which every Council must maintain as a matter of prudence.

SERVICE

A cost centre or group of cost centres delivering a common function. The service is the lowest level of budget detail set out in the Budget Book.

SLIPPAGE

Where actual expenditure on a project is less than the planned spend in a financial year. VALUE FOR MONEY (VFM)

A term used to assess whether or not an organisation has obtained the maximum benefit from the goods and services it both acquires and provides, within the resources available to it. It not only measures the cost of goods and services, but also takes account of the mix of quality, cost, resource, use, fitness for purpose, timeliness, and convenience to judge whether or not, together, they constitute good value.

VIREMENT

The permission to spend more on one budget head when this is matched by a corresponding reduction on some other budget head, i.e. a switch of resources between budget heads. Virement must be properly authorised by the appropriate committee or by officers under delegated powers.

FINANCIAL LIMITS

APPENDIX 4

CONTRACT VALUES

Goods and Services

up to £5,000	one written estimate/quotation (email included)
£5,001 - £30,000	two quotations
£30,001 - £75,000	three quotations (RFQ)
£75,001 – FTS threshold £207,720	four quotations (RFQ)
over £207,720	full tender process (ITT)

Works contracts as above until

£207,720 - £ 5,336,937	Five quotations or by advertisement	
Over £ 5,336,937	full tender process (ITT)	

OTHER VALUES

Item	Notes	Amount
De minimis amount	Capital Expenditure	£10,000 and above
De minimis amount	Capital Receipts	£10,000 and above
Out-turn variation on a service budget.	Assistant Chief Executives will immediately advise the Chief Finance Officer and Management Team of the situation, together with their proposed action to recover the position.	£10,000 and above

Virements – between cost centres under same Director/Assistant Chief Executive	With the approval of the Chief Finance Officer. Virement to be minuted or otherwise documented.	No more than £25,000
Virements – between cost centres under same Director/Assistant Chief Executive	Can be approved by the relevant Assistant Chief Executive, Chief Finance Officer and Management Team in consultation with the Chairman of Thriving Council Committee. These virements should be minuted or otherwise documented.	Over £25,000 and up to £100,000
Virements – between cost centres under same Director/Assistant Chief Executive	Approved only by Thriving Council Committee. They will be reported by the Assistant Chief Executive, in such format as the Chief Finance Officer may prescribe.	Over £100,000
Virements – between cost centres under different Directors/Assistant Chief Executives	Only when the relevant Assistant Chief Executives and the Thriving Council Committee Chairman are in agreement.	Same limits as shown above for virements between cost centres under the same Director/Assistant Chief Executive.
Virements of Unbudgeted Income or unused budgets	Are not authorised to be used without prior agreement of the Management Team. The Chief Finance Officer and Management Team may consider a report to the Thriving Council Committee.	Over £5,000
Securing additional revenue resources (e.g. grants)	The Chief Finance Officer may authorise the use of those resources to finance additional revenue expenditure where the grant conditions require such. Where there are no such requirements the Chief Finance Officer may require the use of these resources to be approved by Thriving Council Committee.	Less than £50,000
Securing additional revenue resources (e.g. grants)	Use to be approved by Thriving Council Committee	£50,000 or more
Use of earmarked reserves	The Chief Finance Officer shall have delegated power to approve spending of any earmarked reserve. The CFO will confirm that planned spending remains affordable when considering any mixed funding, including call on reserves, current budgets and/or external funding packages.	Up to £50,000
Use of earmarked reserves	Use with approval of Thriving Council Committee.	Over £50,000

Acquisitions or disposals of land or buildings	The Chief Finance Officer may authorise acquisitions and disposals (including leases or easements where the annual rent multiplied by the length of the lease does not exceed that figure assuming that the rent is not increased on review) which is an approved item in the approved Capital Programme.	Up to £75,000
Acquisitions or disposals of land or buildings	Only following consultation with the Leader of the Council or the Deputy Leader if the Leader is not available.	Between £75,001 and £250,000
Variance to inventory	Report to relevant Assistant Chief Executive	Up to £1,500
Variance to inventory	Report to Chief Finance Officer	Over £1,500
Variance to Stocks and Stores	Report to relevant Assistant Chief Executive	Up to £1,500
Variance to Stocks and Stores	Report to relevant Assistant Chief Executive and Chief Finance Officer	Over £1,500
Asset Write Offs (including cash, income, stocks and inventories)	Budget Manager: where irrecoverable The relevant Assistant Chief Executive in consultation with the Chief Finance Officer may write off Income, Stocks and Inventory deficiencies	Up to £250 Up to £2,500
Asset Write Offs (including cash, income, stocks and inventories)	The relevant Assistant Chief Executive in consultation with the Chief Finance Officer and the Chairman of the Thriving Council Committee may authorise the write off.	Over £2,500 and under £25,000.
Asset Write Offs (including cash, income, stocks and inventories)	Write offs may only be written off by the Thriving Council Committee after receiving a report from the Chief Finance Officer.	Over £25,000
Manual countersigning on cheques	All cheques must be manually countersigned by one of the other officers authorised on the bank mandate.	Over £10,000
Petty Cash	Items can be paid out through any holder of petty cash.	Up to £50
Purchases	Items must be purchased through the Council's purchasing system unless the Assistant Chief Executive has agreed a different limit in consultation with the Chief Finance Officer.	Items of a value of £50 or more
Income and Cash Handling	Differences between actual cash and recorded cash being reported to the Chief Finance Officer.	Items over £20
Security of Cash kept on premises	Value of cash kept on premises to be within insurance limit.	Maximum of £5,000

Capital Monitoring	Council/ Thriving Council Committee approve overspends of total project cost	£10,000 or 20% of project cost
Capital Programme	Chief Finance Officer and relevant Director/ Assistant Chief Executive approves amendment to Capital	Up to £25,000
Capital Programme	Chair of Thriving Council Committee , Director/ Assistant Chief Executive and Chief Finance Officer approves amendments to Capital Programme	Over £25,000

Position	Limit (£)	Comment
Chief Executive	Unlimited	
Section 151 Officer	Unlimited	
Financial Services Manager (Deputy S151)	350,000	
Finance Team Leaders	350,000	This is to enable the approval of payroll only
Directors/Assistant Chief Executives	50,000	
Contracts Manager	25,000	
Budget Manager	25,000	
General User	5,000	Where an authorization limit has been specifically requested by the budget manager and approved by the S151 Officer



Contract and Procurement Procedure Rules (CPPRs)

Effective March 2026

Version number	Date	Page/Paragraph Ref	Amendment
1	04/12/24		
2	18/03/26	1.4.1	Title change to The Section 151 Officer
		2.2	Threshold updates – Services & Goods £207,720 Works £5,193.000 Light touch Regime £663,540 Increase £5k - £30k to £5k - £50k Reduce procurement process for £50,001 - £207,720 from 4 quotes to 3 quotes Reduce procurement requirement for works between Services threshold and Works Threshold from 5 quotes to 4 quotes
		2.3.1	Threshold table update
		2.3.2	Date update from January 2023 to January 2026
		3.1.1	Remove reference to Commercial Board
		3.2.3	Exception Option A – change to ‘The value of the contract is over EU threshold, and a procurement risk analysis has been carried out.’ Amend options under A, B, & C with ‘or’ in order that only a minimum of one point under the chosen option needs to be adhered to.
		4.2.4	Addition of commonly used frameworks (audit requirement)
		4.7	Addition of clause on Lease agreements (requirement in law)
		6.5.1	Name change of CCS to GCA
		9.6.1	Title change to The Section 151 Officer
		Appendix 1 – financial Regulations	Title change to The Section 151 Officer

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Scope and Responsibilities

1 Scope and Responsibilities

West Lindsey District Council operates a procurement service with support and advice from the Procurement Lincolnshire (PL) shared service. This document is adapted from materials provided by the shared service.

1.1 Scope of Contract Procurement and Procedure Rules

- 1.1.1 These procedures inform of the mandatory minimum requirements for undertaking procurements and forming contracts. They must be followed. A glossary of terms is provided in Appendix 1.
- 1.1.2 Following approval, this document sits within the Council's Constitution.
- 1.1.3 These CPPR's do not contain procedures relating to making payment or undertaking purchasing activities such as raising purchase orders or using purchasing cards. These processes are found within the Financial Procedure Rules.
- 1.1.4 All values quoted within these CPPR's are inclusive of any Value Added Tax (VAT), where applicable.
- 1.1.5 As set out in the document, Officers should obtain advice from the relevant Procurement Resource, as soon as possible when a procurement is required. Some useful contacts:

Procurement Resource	Business Development Officer Contracts and Procurement. anna.grieve@west-lindsey.gov.uk Procurement Lincolnshire (PL) procurement.lincolnshire@lincolnshire.gov.uk
Information Assurance	Data Protection Officer tom.carrington@west-lindsey.gov.uk
Compliance	Monitoring Officer Lisa.Langdon@west-lindsey.gov.uk
Legal Services	legalservices@lincolnshire.gov.uk

1.2 Basic Principles

1.2.1 A “contract” is any arrangement made by, or on behalf of, the Council, including arrangements for:

- a) The supply of goods;
- b) The execution of works;
- c) The delivery of services;
- d) The hire, rental, repair, maintenance or lease of goods or equipment

1.2.2 For the purpose of these CPPRs, “contracts” do not include:

- a) Contracts of employment which make an individual a direct employee of the Council;
- b) Agreements regarding the acquisition, disposal or transfer of land (Financial Regulations apply to these);
- c) Documents dealing with the award and use of Grant Monies

1.2.3 All contracting activity must:

- a) Comply with these CPPR’s; the Council’s Financial Procedures; applicable Grant fund spending regulations and relevant applicable legislation including the Public Contracts Regulations 2015 (PCR2015), Procurement Act 2023 (PA 2023).
- b) Have regard to statutory guidance released by the Cabinet Office and as required by PA 2023 (Procurement Policy Notes (PPN)).
- c) Have regard to national procurement objectives, the National Procurement Policy Statement (NPPS), which may be updated from time to time but currently include:
 - i. Achieving best value for public money
 - ii. Acting and being seen to act with integrity
 - iii. Maximising the public benefit
 - iv. Sharing information
 - v. Ensuring fairness, treating suppliers equally and not putting any supplier at an unfair advantage or disadvantage.
 - vi. Having regard to inclusion of Small and Medium size Enterprises (SMEs) and removing barriers that they may face to tender for the Council’s opportunities.
- d) Be consistent with the Council’s corporate plan and strategies
- e) Be legitimate, lawful and within the budget and policy framework

1.2.4 No use of the Procurement Exception Process nor use of the Provider Selection Regime (PSR) (current Standard Selection Questionnaire (SSQ)) is to be undertaken

by Officers without obtaining prior advice on the applicability and use of such process(es) from the relevant Procurement Resource.

1.3 Joint Commissioning and Procurement

1.3.1 Before any contract is entered into in collaboration with other public sector bodies, such as other Local Authorities, advice should be obtained from the relevant Procurement Resource, as the procurement may require approvals through Management Team or Committee.

1.3.2 Where a new agreement is put in place to establish a working arrangement with another public body that goes beyond a single requirement; commercial advice should be obtained from PL prior to entering into any agreement.

1.3.3 When a requirement is jointly commissioned or procured with other public sector bodies the following procedures shall apply:

- a) Officers will consult their Procurement Resource as soon as they are aware of such a requirement.
- b) The authorities involved will decide which of them is to act as the lead authority for the particular contract to be commissioned.
- c) The procedures of the lead authority shall be followed. Where a competitive process is undertaken no exception to these CPPRs is required.

1.4 Responsibilities

1.4.1 **The Section 151 Officer** has delegated responsibility for:

- a) Ensuring that procedures for procurement and contracting are sound and properly administered.
- b) For ensuring all income and expenditure is lawful.
- c) Ensuring that contracts are not split into smaller parts to avoid the necessary procurement procedures.
- d) Monitoring the use of exceptions to these procedures as set out in this document.

1.4.2 **Directors' Responsibilities**

Directors and Assistant **Chief Executives** are responsible for:

- a) Ensuring all staff comply with transparency legislation by providing information to the Procurement Resource to ensure the details of all contracts valued at £5,000 and above are provided for completion of the Council's electronic Contract Register including any extensions and approved exceptions.

- b) Ensure that exceptions are sent to the Procurement Resource to be kept in a register of exceptions. The use of exceptions will be monitored by The Section 151 Officer and reported quarterly to Governance and Audit Committee.
- c) Ensure that a contract is signed by the Council and Supplier prior to any work commencing on the contract and that Officers provide an electronic copy of the signed contract to the Procurement Resource (where the contract is formed otherwise than by way of a purchase order).
- d) Ensure all staff work with their Procurement Resource in line with these rules.
- e) The appointment of consultants is in accordance with these rules and all contracts relating to the appointment of a consultant, where the value is above £5,000 is recorded on the Council's Contract Register.
- f) Ensuring all staff are aware of their responsibilities under these procedures and receive adequate training.

1.4.3 **Officer Responsibilities**

Officers are responsible for:

- a) Seeking advice from their Procurement Resource in accordance with these rules at an early stage and particularly when a procurement need has been identified. Officers will need to comply with these rules.
- b) Complying with appropriate legislation including the PCR 2015, PA 2023; the Councils Constitution, Financial Procedures, and these CPPR's.
- c) Seek advice from the Procurement Resource to identify if a suitable existing contract or Framework Agreement exists.
- d) Ensuring compliance with transparency legislation by providing information to the Procurement Resource to ensure the details of all contracts valued at £5,000 and above are provided for completion of the Council's electronic Contract Register including any extensions and approved exceptions.
- e) When appointing a consultant, the appropriate procedures in this document are followed.
- f) Seeking to protect the Council from the commercial and operational risks of TUPE by seeking advice from the Procurement Resource if required.
- g) Using the Council's e-tendering portal for all Request for Quotations and Tendering processes above £5,000.
- h) Comply with the procurement Conflict of Interest process.

1.4.4 Prior to the advertisement of any procurement by the Procurement Resource, officers using the template provided, must submit a summary of their Pre-Market Engagement activity for review by the Procurement Resource.

1.4.5 **Procurement Resource Responsibilities**

The Procurement Resource is responsible for :

- a) Complying with appropriate legislation including the PCR 2015, PA 2023; The Councils Constitution and these CPPR's. The Procurement Resource must pay due regard to any relevant statutory guidance issued from time to time by the Cabinet Office.
- b) Check whether a suitable existing contract or Framework Agreement (including EPSO, CCS) exists before undertaking any commissioning activity. Where such an agreement exists an assessment should be undertaken to determine if it is the best route to market and demonstrates value for money, particularly in the case of frameworks that can be called off from without competition. The recommended route to market must be recorded within the Procurement Strategy.
- c) Complying with all Notice and Transparency obligations.
- d) Supporting and advising Officers on procurement and commercial activity that are below threshold (see financial threshold limits at Section 2, para. 2.3).
- e) Managing the procurement process for above threshold contracts shall be conducted by the shared service Procurement Resource.
- f) Manage the Council's conflict of interest process.
- g) Recording the Councils Pre-Market Engagement conclusion summaries.

1.4.6 **Contract Manager Responsibilities**

Contract Managers are responsible for:

- a) Managing contracts in accordance with the Councils Contract and Risk Management Guidance document, so that a requirement is delivered in line with the contract terms.
- b) Complying with all transparency requirements during the management of the contract including when modifying contracts.
- c) Keep under review the value of contracts that are modified where permitted by legislation and consider if they become a convertible contract or exceed £5 million in value.
- d) Seeking appropriate advice from Procurement Resource in the event of supplier poor performance.
- e) Monitoring Suppliers performance against the requirements of the Contract including monitoring performance against Key Performance Indicators (KPIs) and reporting this performance where required.

1.5 Conflicts of Interest

- a) The Council must act with integrity when it undertakes any procurement activity, and a conflict-of-interest process needs to be followed. This section needs to be read alongside the Members and Officers Codes of Conduct, and any other relevant Council Protocols and procedures as set out in the Council's Constitution

relating to the management of fraud, bribery, corruption, bias, conduct in public life and any other internal business or organisational rules.

- b) A conflict of interest arises in a procurement context where there is a conflict between the interests of a person acting in relation to a procurement and those of the procurement itself. Conflicts of Interest relate to 'actual' conflicts or a 'potential' Conflict of Interest which may turn into an actual conflict if certain circumstances occur. A 'perceived' Conflict of Interest may also arise where it may be wrongly understood that there is a conflict.
- c) The Procurement Resource will advise on the process and specific steps required to mitigate and manage Conflicts of Interest, particularly if there is a conflict, or a potential conflict relating to a commercial matter. Steps will include but are not limited to completing declarations of interest, checks of pre-existing declarations and any central registers held within the Council.
- d) Officers and the Procurement Resource will need to identify and keep under review actual and potential conflicts of interest. A formal conflict assessment will need to be prepared, and this will need to be published with transparency notices and updated as necessary during the life of the procurement. The conflict assessment statement will also address any perceived conflicts of interest.
- e) Any conflict of interests identified within a procurement will be dealt with on a case-by-case basis. Officers and the Procurement Resource will take every step to mitigate the conflict of interest, and these mitigations will be published in the conflict assessment statement.
- f) Suppliers are to be excluded from a procurement whereby a conflict of interest puts the supplier at an unfair advantage and if steps cannot be taken to avoid the advantage or the supplier refuses to take any necessary steps to remove the conflict.
- g) For below threshold procurements, the principles around Conflicts of Interest still apply, however the formal publication of conflict assessment statements are not required. Officers should seek advice from the Procurement Resource where required.

Selecting the correct procurement route

Including above and below threshold contracts and exceptions to the normal tendering route.

2 Procurement Routes and Pre-Procurement Considerations

2.1 Calculating the Estimated Total Contract Value

- 2.1.1 Before undertaking a procurement, exercise or contract modification Officers must calculate the Total Contract Value. The Total Contract Value includes VAT. Officers shall follow Council guidance on how to do this and seek advice from the relevant Procurement Resource where required.
- 2.1.2 Total contract value must be the maximum value payable under the whole contract lifecycle including implementation and exit arrangements. It must also consider any potential variables including:
- a) Options to supply additional goods/services/works.
 - b) Options to extend or renew the contract.
 - c) Price rises provided for in the contract.
 - d) The value of any goods, services or works provided by the Council under the contract other than payment.
- 2.1.3 Officers must not separate a requirement into smaller contracts to avoid a higher threshold procurement. unless there is a justifiable reason and approved by MT.
- 2.1.4 Where Officers should look to combine requirements with other service areas to avoid duplication of contracts and to increase the commercial attractiveness of opportunities.
- 2.1.5 Where it is not possible to calculate a contract value the Contract must be treated as above threshold and Officers must seek advice from their Procurement Resource before proceeding.

2.2 Procurement Routes

The relevant Procurement Resource will advise Officers whether an existing framework or existing Council corporate contract is available and should be used to demonstrate value for money.

Contract Type	Contract Value		Process	Award Procedure based on	Contract Publication	Documentation
	From	To				
All	£0	£5,000	Request for Quotation	One quotation sought – direct approach to single supplier.	Not required.	Officer to record details Local supplier to be used where appropriate (or reason for not using recorded).
All	£5,001	£50,000	Request for Quotations	At least two written quotations sought based on a simplified RFQ document with appropriate T&Cs At least one local supplier to be invited where possible.	Not required	Local supplier to be used where appropriate (or reason for not using recorded).
All	£50,001	PA 2023 Services Threshold (see para 2.3)	Request for Quotation	At least three written quotations (no group relationship) sought based on an RFQ document with appropriate T&Cs	Must be placed on Find a Tender Service first, if in addition wherever the Council chooses to advertise,	Must be based on a written specification with appropriate terms and conditions

Contract Type	Contract Value		Process	Award Procedure based on	Contract Publication	Documentation
	From	To				
				At least two local suppliers to be invited where possible.		
Supplies and Services	Above Services Threshold		Formal tender	Full tender process	Find a Tender Service, Pro-Contract Specialist publication, if appropriate, after advertised on Find a Tender Service	As required by the PA 2023 and detailed in the CPPR's
Works	Services Threshold (£207,720)	Works Threshold (£5,193,000)	Request for Quotation	At least four quotations based on an ITT document with appropriate T&Cs At least two local suppliers to be invited where possible.	Find a Tender Service, Pro-Contract, and Contracts Finder Specialist publication if appropriate	Must be based on a written specification with appropriate terms and conditions
Works	Above Works threshold		Formal Tender	Full tender process	Find a Tender Service, Pro-Contract, and Contracts Finder Specialist publication if appropriate	As required by the PA 2023 and detailed in the CPPRs

2.3 Legal Thresholds

2.3.1 The Thresholds that are prescribed by the Procurement Act 2023 are:

Type	Threshold
Supplies/ Services	£207,720
Works	£5,193,000
Light Touch Regime (applies to certain social, health, educational services)	£663,540
ALL THRESHOLDS ARE INCLUSIVE OF VAT	

2.3.2 The PA2023 Schedule 1 Thresholds are updated by the Government every two years, most recently issued during January 2026 via a Procurement Policy Notice (PPN), when changes are made these CPPRs will be updated accordingly.

2.3.3 If the Total Contract Value is above these thresholds, then the Above Threshold process as outlined in this document must be followed. Failure to do so will result in a breach of the Procurement Regulations.

2.4 Pre-Procurement Considerations

2.4.1 Before undertaking a procurement, the officer shall:

- Consider all other means of satisfying the need (including recycling and re-use where appropriate);
- Take advice as necessary from the Council's Procurement Resource;
- Consider whether there is a Dynamic Market or Framework Agreement already in place that should be used;
- Engage with the market (see guidance within this document):

3 Governance and Exceptions to the Normal Tendering route

3.1 Governance

- 3.1.1 Prior to undertaking any procurement activity, the Officer must ensure that all the necessary governance processes have been followed and approvals obtained from Management Team or Committee and therefore plenty of time should be allowed for this.
- 3.1.2 Officers must seek advice from the relevant Procurement Resource to determine the correct procurement route.

3.2 Exceptions to the Normal Tendering Routes

- 3.2.1 Exceptions are provided for in exceptional circumstances where the Section 151 Officer believes that a normal tendering procedure cannot be followed.
- 3.2.2 If the Procurement Thresholds are exceeded, then an exception may not be legal. There are only limited circumstances where it is permitted to award a contract to a supplier without first running a competitive tendering procedure. Any exception must be discussed with the relevant Procurement Resource before any decision is made.
- 3.2.3 In these exceptional circumstances the authority must be obtained prior to contract award, from the following:

Contract Value		Who Approves	Process
From	To		
Above Threshold (£207,720)		Relevant Committee	Option A - Written Report via MT
£75,000	£207,720	Section 151 Officer in consultation with the Management Team	Option B - Written Report
£0	£75,000	Section 151 Officer	Option C - Written Report

Note: The Options are:

Option A

Option A

- Tendering exercise would not achieve best value, or
- The value of the contract is over EU threshold, and a procurement risk analysis has been carried out.

Option B

- Quotation or Tender differs marginally from the original specification but delivers best value for West Lindsey, or
- There is only one potential supplier or contractor, or
- The value of the contract is between £75,000 and the EU threshold value.

Option C

- Value is below £75,000, or
- The requirement is of an urgent nature, or
- Social value is of high importance, or
- There is only one supplier or contractor, or
- There is an unforeseen event.

3.2.4 Advice to be sought from the relevant Procurement Resource prior to submission of any Report for the purpose of an Exception to the normal tendering route. Officers are to send a copy of any exception report to the Business Development Officer Contracts and Procurement to be kept on the Register of Exceptions.

3.3 Urgency

3.3.1 In the event of an unforeseeable urgent or emergency to the normal tendering routes, Section 5 of the Procurement Act 2023 allows for the Direct Award of a contract subject to the urgent emergency protocol criteria being met. These cannot be situations that are attributable to the actions of the Council. If an Officer considers an urgent requirement has arisen, then you must consult the relevant Procurement Resource prior to awarding a contract.

3.3.2 The relevant Procurement Resource must put in place a contract that includes a commercially acceptable set of terms and conditions and a specification.

4 Specific requirements for certain types of procurement

4.1 Procuring with External Grant Monies

4.1.1 If a Contract is being procured that is being funded either entirely or in part by External Grant Monies, then the Officer must ensure that they are operating in accordance with the conditions of those grant monies when undertaking any procurement or contracting activities. Officers should seek support from the relevant Procurement Resource in this regard.

4.2 Procuring utilising a Framework Agreement

4.2.1 Framework agreements should be the first option when undertaking a procurement exercise as they provide a compliant, pre-procured route to market that can significantly reduce time, cost, and risk. Officers will be advised by the relevant Procurement Resource when using a Framework Agreement.

4.2.2 When selecting a Framework to use in an above threshold procurement the relevant Procurement Resource shall ensure that the Council is permitted to use the Framework by checking that the Council is named in the Tendering Notice (or Contract Notice if the Framework was established before 24th February 2025) and that the Framework provider is a Contracting Authority.

4.2.3 Contracts awarded under a Framework Agreement must always be awarded in accordance with the rules set out within the Framework Agreement Documentation. It is the responsibility of the relevant Procurement Resource to check the Framework Agreement Documentation, and this may need to be requested from the Framework provider.

4.2.4 The most commonly used frameworks include those offered by:

Crown Commercial Service (CCS) (see 6.5.1)

Yorkshire Purchasing Organisation (YPO)

Eastern shires Purchasing Organisation (ESPO)

Bloom Procurement

Northeast Purchasing Organization (NEPO)

4.3 Procuring utilising a Dynamic Market

4.3.1 Dynamic Markets can only be established for contract values above the threshold for good and services but below the threshold for works and construction.

4.3.2 The Procurement Resource must lead on any Dynamic Market procurement.

4.4 Appointment of Consultants

4.4.1 The following procedure applies when it is necessary to appoint a consultant to provide services to the Council.

4.4.2 The Officer must obtain approval to use a consultant using the Council's decision-making processes, i.e., through report to Management Team or relevant Board.

4.4.3 Consultants should only be used whereby they will be providing advice to fill a knowledge gap by either identifying options and recommendations or advice to implement solutions and therefore will be time limited.

4.4.4 If the request is approved the Officer must then comply with the procedural requirements based upon the Estimated Total Contract Value.

4.4.5 Payment for the Consultancy Service should be based on the satisfactory completion of defined outputs along with clear terms and conditions.

4.4.6 Advice should be obtained from the relevant Procurement Resource prior to entering a contract with a consultant.

4.4.7 All Consultancy contracts must be added to the Council's Contracts Register regardless of the value.

4.4.8 For Agency appointments the Officer must refer to the HR Manager for direction.

4.4.9 The Officer must not engage with any agency to secure CVs, without prior engagement with the Human Resources Service, and without a full understanding of the agency's terms and conditions.

NOTE: Some agencies require you to accept their terms and conditions prior to receipt of CVs. These terms and conditions may include clauses regarding 'introductory fees' which may be payable even if no appointment is made through that agency. These fees are often substantial and pose significant financial risk to the Council.

4.5 Concession Contracts

4.5.1 A concessions contract is an agreement between the Council and a Supplier where the Supplier is given the right to exploit works or services provided for their own gain. This may still be the case even if the Council contribute some income.

4.5.2 If you consider that a contract may be a concession contract, then you must seek advice from PL.

4.6 Subsidy Control

- 4.6.1 A subsidy (previously known as State Aid) is any advantage granted by a public authority through state resources on a selective basis to any organisation that could potentially distort competition. The definition of subsidy is very broad because “an advantage” can take many forms. It is anything which an organisation engaged in economic activity could not get on the open market.
- 4.6.2 Subsidy Control rules can (amongst other things) apply to
- a) Grants
 - b) loans
 - c) guarantees
 - d) tax breaks
 - e) the use or sale of state assets for free or less than market rate
- 4.6.3 Officers must seek advice from the PL who will seek advice from the Legal Resource before continuing with a procurement where there is any potential subsidy.

4.7 Lease Agreements

- 4.7.1 Procurement must assess whether any arrangement (explicit or implicit) contains an IFRS 16 lease (i.e., conveys control of the use of an identified asset). Where a lease is identified, Finance and Procurement will confirm the lease term (non-cancellable period plus options the Council is reasonably certain to exercise/not terminate) and measure the lease liability as the present value of lease payments (fixed/in-substance fixed; index/rate-linked; residual value guarantees; purchase option price where reasonably certain; and relevant termination penalties), discounted using the rate implicit in the lease where readily determinable, otherwise the Council’s incremental borrowing rate, with a corresponding right-of-use asset recognised.
- 4.7.2 Before contract award, the Council must document the full financial impact, including depreciation of the right-of-use asset, interest on the lease liability, variable payments excluded from the liability, and any statutory capital financing implications (e.g., Minimum Revenue Provision). Leasing versus outright purchase must be evaluated, and the best-value option selected unless a justified exception is recorded.

Below Threshold Procurements

5 Below threshold procurements

5.1 Principles of Below Threshold Procurement

- 5.1.1 Below threshold procurements are not subject to the all the requirements of the PA 2023. The specific legal requirements relating to below threshold procurements are listed in 5.2 below.
- 5.1.2 Even though below threshold procurements are not subject to full legislative requirements they must still follow the Council's processes as outlined in this section.

5.2 Requirements of the Procurement Act 2023

- 5.2.1 Proportionate to the value of the contract, the Procurement Resource should complete an appraisal of the market to assess Supplier interest, and advise as to whether conducting Pre-Market Engagement would benefit both the Council and the supply markets.
- 5.2.2 Within an open or below threshold tendering opportunity, Officers must not include an assessment of a bidder for the purpose of de-selection of bidders (i.e. short listing). The only exception to this is for works contracts that are above the supplies and services threshold but below the works threshold which can include a shortlisting stage.
- 5.2.3 Proportionate to the subject matter of the Contract, the procurement may assess a Bidders legal status; financial capacity or technical ability for performing the contract within an overall assessment.
- 5.2.4 Officers shall be mindful of the barriers that small and medium size enterprises (SMEs) may face when responding to opportunities and must take reasonable steps to remove these barriers. This might include requesting proportionate levels of insurance and experience.
- 5.2.5 The Procurement Resource must publish a Contract Details Notice on Find a Tender Service for all Contracts with a Total Contract Value of £30,000 (including VAT) and above.
- 5.2.6 All Contracts with a Total Contract Value of £5,000 or above shall be recorded on the Council's Contract register.

5.3 Advertising Contracts

- 5.3.1 Procurements below £30,000 are not required to be advertised on the Find a Tender Service.
- 5.3.2 In the interest of achieving value for money the Business Development Officer Contracts and Procurement may advise on the advertising of a particular activity.

5.3.3 If the RFQ is valued at above £30, 000 the Procurement Resource must ensure it is advertised on Find a Tender Service before being advertised anywhere else.

5.4 Request for Quotations (RFQ) process

5.4.1 As outlined in this document, RFQs are the Council's preferred method of undertaking procurements that are below threshold.

5.4.2 The Business Development Officer Contracts and Procurement will work with the service area representative to ensure completion of standard format templated RFQ documents. The RFQ must state that the Council is not bound to accept any quotations received.

5.4.3 RFQs must contain:

- a) A specification which describes clearly the Council's Requirement in sufficient detail to enable the submission of competitive offers and to enable the Council to hold the supplier to account.
- b) Relevant terms and conditions that are proportionate to the requirement
- c) Simplified award criteria that outline how the RFQ will be evaluated.
- d) Instructions on the performance and management of the contract.

5.4.4 For all RFQs the Council's electronic tendering platform must be used to invite suppliers and publish the RFQ documents. All Suppliers invited to quote must be issued with the same information at the same time and subject to the same conditions.

5.4.5 Records of the RFQ process including evaluation of the RFQ must be retained by the Business Development Officer Contracts and Procurement.

Above Threshold Procurements

6 Above threshold procurements

6.1 Pre-market Engagement

- 6.1.1 Officers should consult with the relevant Procurement Resource before engaging with the market. Before any discussions take place with any potential supplier(s) then a Preliminary Market Engagement Notice must be published on Find a Tender Service.
- 6.1.2 Throughout any market engagement all steps should be taken to ensure that suppliers are treated equally and fairly and that no advantage and disadvantage is afforded to any supplier.
- 6.1.3 Full records of pre-market engagement must be kept using the template provided by the Procurement Resource, ensuring that the process is fair and transparent. To avoid distorting competition Officers shall communicate to all Bidders any relevant information exchanged, in the context of, or resulting from any pre-market engagement when publishing the tender documentation.
- 6.1.4 Where pre-market engagement has taken place, but a Preliminary Market Engagement Notice was not published prior, the rationale for this must be recorded in your Contract Details Notice.

6.2 Selecting a procurement procedure

- 6.2.1 Under the PA 2023 there are 2 procurement procedures that can be used for above threshold procurements outside of an existing corporate contract, framework agreement or dynamic market:
 - i. Open procedure – Single stage where no shortlisting of suppliers take place
 - ii. Competitive Flexible Procedure – Multi-stage process where shortlisting of suppliers can take place.
- 6.2.2 To obtain the best commercial outcome and to ensure the process is proportionate the Competitive Flexible Procedure should only be conducted by an officer from PL.

6.3 Invitation to Tender (ITT)

- 6.3.1 Procurement Lincolnshire's template documents should be used for all above threshold procurements which are accessible through the Procurement Resource.

6.4 Communication with markets during a tender process

- 6.4.1 Officers will ensure that all communication with potential suppliers is fair and transparent and does not afford any suppliers an advantage or disadvantage.

- 6.4.2 During a live tender communication with any supplier must be in writing via the Council's e-tendering portal unless alternative communication is permitted under the competitive flexible procedure. Any communication outside the Council's e-tendering portal must be done in conjunction with the relevant Procurement Resource assigned to the procurement by PL and a detailed log kept of such communication.
- 6.4.3 Officers will bear in mind obligations around conflicts of interest and if an actual or perceived conflict of interest develops then the officer will consult with the assigned Procurement Resource who will consider what steps can be taken to avoid or remove conflicts of interest including the use of ethical walls agreements.

6.5 Conditions of Participation

- 6.5.1 Information about a Bidder's business standing, model and any exclusion grounds will be obtained by the Procurement Resource from the Central Digital Platform using the Supplier Information functionality. The platform is managed by the Crown Commercial Service and is designed so that Suppliers can submit and keep updated their business information, and it will then be available for all public bodies nationally to access. (On 1 April 2026, Crown Commercial Service and several Cabinet Office Central Commercial teams (operating under the Government Commercial Function) will join to form the Government Commercial Agency).
- 6.5.1 The assigned Procurement Resource must ensure that this system is used and not use any local forms or processes. The use of the Supplier Information System is mandatory for all above threshold procurements.
- 6.5.2 The Officer assigned will ensure that Conditions of Participation are relevant to the subject matter of the contract and be proportionate.

6.6 Standards and Award Criteria

- 6.6.1 The Award Criteria is used to determine which of the Bidders will be awarded the contract and they are assessed as part of the ITT.
- 6.6.2 Public Contracts must be awarded based on the Most Advantageous Tender (MAT).
- 6.6.3 All Award Criteria and sub-criteria must be weighted, and these weightings must be set out in the Procurement Documentation.
- 6.6.4 Award criteria must provide for international equivalents for any British standards.
- 6.6.5 When determining the process that will be used to supplement an ITT there should be caution on the use of bidder presentations. This should only be assessed where presenting is a material part of the contract delivery or where a product demonstration is required. If an Officer considers the use of a presentation is necessary advice should be sought from the assigned PL Officer who shall coordinate proceedings during any such presentation.

6.7 Publishing the ITT

- 6.7.1 The ITT documentation should all be made available to all suppliers at the same time as publishing the Tender Notice on the councils e-tendering system. If this is not likely to be possible then advice must be obtained from the assigned Procurement Resource on how to manage the risk associated with this.
- 6.7.2 Suppliers must be given an adequate period to prepare and submit a Tender consistent with the urgency and or complexity of the contract requirements. Minimum timescales outlined in the PA 2023 must be complied with.
- 6.7.3 Late tenders will not be accepted unless approved by the assigned Procurement Resource and only if it is not in breach of the Procurement Act 2023.
- 6.7.4 Any Tender amendments, changes to instructions or clarifications should be issued in writing to all bidders unless the clarification is confidential to a specific bidder. Officers must review the Tender Notice to see if that also requires amendment. A Tender Notice amendment must be published if there are changes to the timescales for the return of the tender.
- 6.7.5 ITTs must not be amended following the submission of final bids.

6.8 Evaluation

- 6.8.1 Tenders must be evaluated, recorded and awarded in accordance with the published Award Criteria. The basis on which the tender will be evaluated must be determined before tenders are invited and must be included as part of the tender information.
- 6.8.2 The overall basis for any award of contract must be the 'most advantageous tender' (MAT).
- 6.8.3 Evaluation panels should be established with members of the panel being those who have a good level of knowledge of the requirement and the award criteria.
- 6.8.4 Prior to bids being received by the evaluation panel they must be asked to confirm, or reconfirm if they have already done so, that there are no conflicts of interest.
- 6.8.5 A meeting must be held as part of the evaluation process either to score or to agree a consensus score and this meeting should be ideally chaired by the assigned Procurement Officer who is not permitted to be an evaluator. The role of the Procurement Officer is to ensure that the scoring or consensus takes place transparently in accordance with the tender documentation.
- 6.8.6 Evaluating Officers are required to reach consensus and produce an agreed narrative detailing the reasons for the final agreed score(s) and the score(s).
- 6.8.7 As per this document if presentation or product demonstrations are used then Officers must ensure contemporaneous notes are made detailing all the questions,

responses and points raised or full auditory records are kept.

6.8.8 Bids must be kept confidential.

6.9 Clarification of bids by Evaluators

6.9.1 If the Evaluation Panel determine that there are areas of ambiguity or lack of clarity, then consideration should be given to clarifying these issues with the Bidder(s). Clarifications must be sought in writing, using the Council's e-tendering platform unless an alternative process for clarification has been detailed in the ITT as part of the Competitive Flexible Procedure.

6.9.2 Clarifications requested of Bidders during the evaluation process shall not be an opportunity for Bidders to enhance their already submitted bids. Rather this should be an opportunity to clarify a specific element included in their already submitted bid.

6.9.3 Officers should seek the support of the assigned Procurement Resource where necessary and always in the event of a Competitive Flexible Procedure being used.

6.9.4 The clarification process must ensure that all Bidders are treated equally and fairly.

6.10 Assessment Summaries and Standstill

6.10.1 The assigned Procurement Resource will ensure that Assessment Summaries are completed using the standard Council template.

6.10.2 The assigned Procurement Officer will issue a Contract Award Notice to commence an 8 working day mandatory or voluntary Standstill Period prior to awarding a Contract.

6.10.3 Unless the award of the contract falls within the delegated authority of the Section 151 Officer, approval should be sought in line with the Council's Constitution.

6.11 Due diligence

6.11.1 Prior to awarding a Contract the assigned Procurement Resource will verify any standards that a Bidder has self-certified through a procurement process. This includes but is not limited to any professional qualifications, required internal standards and insurance levels.

6.11.2 Advice must be obtained from the relevant Procurement Resource to determine if the Bidder must be excluded from the process. The Procurement Resource must check the debarment list prior to any selection stage and/or the award of a Contract.

7 Light Touch Regime (LTR) and Provider Selection Regime

7.5 Light Touch Regime

- 7.5.1 The Light Touch Regime is for certain services contract in social, health and education services and are subject to more flexible procurement rules. For a contract to be a light tough contract the Common Procurement Vocabulary (CPV) code must be listed in Schedule 1 Procurement Act 2023.
- 7.5.1 Officers must seek advice from the relevant Procurement Resource prior to undertaking a LTR tender.
- 7.5.2 A different threshold exists for LTR contracts.
- 7.5.3 LTR contracts do still have to follow some of the provisions of the PA 2023 but have greater flexibility and freedoms.
- 7.5.4 LTR contracts must be advertised using a tender notice unless a direct award justification applies.
- 7.5.5 The Procurement Resource must determine if Bidders are excluded or excludable and consider Conflicts of Interest before awarding a contract.
- 7.5.6 The Procurement Resource will ensure transparency obligations through the publication requirements, by completing a contract award notice and a contracts details notice when a contract is over £5,000,000.
- 7.5.7 The Procurement Resource shall consider whether the requirement can be broken into lots, and the services supplied under more than one contract.
- 7.5.8 The Procurement Resource will use either the open, competitive flexible procedure or direct award where justified. There are no mandated timescales for LTR contracts, but officers will ensure that the time scales are reasonable, taking into account the nature of the requirement and the complexity of the contract.
- 7.5.9 Officers should apply a voluntary standstill period to LTR contracts.
- 7.5.10 Contract managers are required to set and publish 3 KPIs for contracts with a Total Contract Value of above £5,000,000.
- 7.5.11 Contract Managers are permitted to amend LTR contracts if amendments are in accordance with the objectives outlined in this document. LTR contracts do not require the publication of Contract Change notices.

8 Other Considerations

These considerations apply to above and below threshold procurements.

8.5 Information Assurance and Data protection

- 8.5.1 The relevant Procurement Resource must consider the information assurance requirements of the Contract if they anticipate any Personal Data is to be processed as part of the contract.
- 8.5.2 Where personal data may be processed as part of the contract, officers must seek further advice from the Data Protection Officer.

8.6 Sustainable Commissioning

- 8.6.1 For all above Threshold contracts then consideration must be given as to how the Contract might improve the economic, social and environmental wellbeing of Lincolnshire, as required by the Public Services (Social Value) Act 2012. This duty also relates to Light Touch Regime (LTR) as described in section 7.1, where the Estimated Total Contract Value exceeds the Services PCR 2015 Threshold.
- 8.6.2 The Council must consider in the form of a Social Value appraisal, whilst recognising the principle of Proportionality:
 - a) How, what is proposed to be procured, might improve the economic, social and environmental well-being of the relevant area.
 - b) How, in conducting the process of procurement, it might act with a view to securing that improvement; and
 - c) Whether to carry out any consultation in relation to the above matters.

8.7 TUPE

- 8.7.1 Where TUPE may apply the relevant Procurement Resource should seek advice from their Monitoring Officer.

Contract Formation

9 Contract Formation

9.1 Contract Formation

- 9.1.1 The Section 151 Officer has the responsibility to ensure that a Scheme of Delegation is in place, and contracts should be signed in accordance with this scheme.
- 9.1.1 The Procurement Resource is responsible for securing signature of the contract by both parties prior to commencement of the contract.
- 9.1.2 Where the value of the contract exceeds £75,000, legal advice should be obtained as to whether the contract is executed under hand or under seal.

9.2 Contracts signed under hand

- 9.2.1 The Procurement Resource must ensure that when a contract is signed under hand (by either wet or electronic signature) the signatory has authority to do so.
- 9.2.2 Contract signed under hand are generally contracts with a total contract value under the FTS threshold.
- 9.2.3 The limitation period for a claim is 6 years from the date of the breach.

9.3 Contracts signed under seal

- 9.3.1 Where contracts are completed by each side adding their formal Seal, the fixing of the Council's Seal must be witnessed by or on behalf of the Chairman of the Council.
- 9.3.2 Every Council sealing will be consecutively numbered, recorded and signed by the person witnessing the Seal. The Seal must not be affixed without the authority of the Chief Executive Officer, a duly authorised Committee, or the Chairman of the Council.
- 9.3.3 A contract should be sealed where:
 - a) The Council may wish to ensure a limitation period of 12 years from the date of the breach;
 - b) Where the Council has paid no consideration for goods or services, or the carrying out of works; or
 - c) Legal advice has been provided to this effect.

9.4 Contract Publication

- 9.4.1 Where a contract is above £5,000,000 or if a works contract above the works threshold, then a redacted version of the Contract must be published in a notice.

- 9.4.2 Contract publication and redaction must be conducted by the relevant Procurement Resource.

9.5 Document Retention

- 9.5.1 All relevant documentation must be kept in accordance with the Council's document retention policy.

9.6 Bonds And Parent Company Guarantees

- 9.6.1 The Officer must consult the **The Section 151 Officer** to identify whether a Parent Company Guarantee or Bond is needed;
- a) When a Contracted Supplier is a subsidiary of a parent company as to the necessity of a Parent Company Guarantee when any of the following conditions are satisfied:
- i. The Total Contract Value exceeds £500,000, or
 - ii. Award is based on evaluation of the parent company, or
 - iii. There is some concern about the financial stability of the Contracted Supplier; and
- b) To identify whether a Bond is needed:
- i. Where it is proposed to make substantial staged or other payments in excess of £500,000 and there is some concern about the financial stability of the Contracted Supplier, and there is no Parent Company Guarantee available.

9.7 Prevention Of Corruption

- 9.7.1 All Officers must comply with the Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract:
- a) It will be for the Officer to prove that anything received was not received corruptly;
- b) High standards of conduct are obligatory, and a failure to reach the required standards may lead to disciplinary action. Staff involved in procurement should be aware **that** the Council's counter fraud and whistleblowing policies apply equally to these procedures, as they do to other Council activities. Criminal sanctions for action of corruption are possible under the Bribery Act 2010.
- 9.7.2 The relevant Procurement Resource must ensure that all bidders sign an anti-collusion statement which will be in the template procurement documentation and require bidders to complete a declaration of good standing confirming that they have not met any grounds for mandatory exclusion.
- 9.7.3 All Officers involved with a procurement will comply with the Procurement Conflict

of Interest Process which is managed by the relevant Procurement Resource.

9.8 Contract and Risk Management

- 9.8.1 Duly nominated and authorised contract managers must fully adhere to the Council's contract and risk management guidelines, as detailed in the Council's Contract and Risk Management Guidance Notes.

Appendix 1 – Glossary

Term	Definition
Award Criteria	<p>The criteria used by the Council to evaluate the Bidder’s tender against the needs identified within the specification to determine the successful tender. Such criteria may comprise for example –</p> <ul style="list-style-type: none"> a) Price, or total cost; b) Quality including technical merit, aesthetic and functional characteristics, accessibility, design for all users, social, environmental and innovative characteristics and trading and its conditions; c) Organisation, qualification and experience of staff assigned to performing the contract, where the quality of the staff assigned can have a significant impact on the level of performance of the contract (and not already evaluated at SQ stage); or d) After-sales service and technical assistance, delivery conditions such as delivery date, delivery process and delivery period or period of completion.
Bidder(s) / Tenderer(s)	Potential Suppliers who are actively involved in a procurement process.
Bond	An insurance policy: If the Supplier does not do what it has promised under a contract with the Council, the Council can claim from the insurer the sum of money specified in the Bond (often 10% of the Total Contract Value). A Bond is intended to protect the Council against a level of cost arising from the Economic Operator’s failure.
Call off without competition	<p>A mechanism within an existing framework that allows for a contract to be awarded without competition because the framework is either for a single supplier or because there is a mechanism within the framework that allows for it. As long as the terms of the framework are complied with this is permitted.</p> <p>Not to be mistaken for Direct Award or Exception to the Normal Tendering route.</p>
Chief Officer S151	The Officers defined as such in the Constitution.
Code of Conduct	The code regulating conduct of Officers and Members is defined in the Constitution.
Committee	A Committee, which has power to make, decisions for the Council, for example a joint Committee with

Term	Definition
	another local authority but not a scrutiny committee.
Constitution	<p>The constitutional document approved by the Council which:</p> <ul style="list-style-type: none"> • Allocates powers and responsibilities within the Council and between it and others; • Delegates authority to act to the Executive, Committees, Executive Councillors and Officers; and Regulates the behaviour of individuals and groups through rules of procedure, codes and protocols.
Consultant(s)	<p>Someone contracted for a specific length of time to work to a defined project brief with clear outcomes to be delivered usually relating to a business change or transformation. The individual(s) will operate outside of the Council’s organisational structure and payment is based on the delivery of defined outputs. The individual(s) should not be working in a Business-as-Usual environment (such as advising on legal risk and technical matters) these contracts should usually be classified as Professional Services.</p>
Contract Register	<p>An electronic register that must be populated, with key information about contracts, for all contracts awarded as required by these procedures.</p>
Contracted Supplier / Sub-contracted Supplier	<p>A Supplier who is currently contracted to provide services.</p>
Contracting Authority	<p>The organisation letting the contract in question. Contracting Decision - Any of the following decisions;</p> <ul style="list-style-type: none"> • Composition of Approved Lists • Withdrawal of Invitation to Tender • Whom to invite to submit a quotation or tender shortlisting • Award of contract • Any decision to terminate a contract
Corporate Contract	<p>A contract let or approved by the Procurement Team to support the Council’s aim of achieving Value for Money.</p>
Council	<p>For the purposes of these Contract and Procurement Procedure Rules, “Council” refers to West Lindsey District Council.</p>
(Common) Seal	<p>The seal that may be, and in the case of the Council is, attached to a document by a corporate body when executing a Deed.</p>

Term	Definition
Conditions of Participation	<p>A component of the evaluation process set out to assess the Bidders capability to provide the requirements identified in the ITT. This is not an evaluation of how they will provide the requirements requested, more an evaluation of their organisation's intrinsic ability to provide those services.</p> <p>Conditions of Participation may only relate to:</p> <ul style="list-style-type: none"> • Suitability to pursue a professional activity • Economic and Financial standing • Technical and Professional ability
Contract Manager	Officer who is responsible for the management and administration of a contract. This includes where it is part of an Officers role even if not mentioned in their job title.
Convertible Contract	A contract where, at the time that it is awarded, the estimated total contract value is below threshold but during the lifetime of the contract it is modified so the total contract value is above threshold.
Concession Contract	A contract where at least part of the scope allows the supplier to exploit works or services and the Supplier is exposed to the real operating risk involved with operating those works or services. An example would be the opportunity to run a café.
Conflict of Interest	a personal, professional or financial interest or perceived interest that may compromise, or have the appearance of, or potential for, influencing or compromising professional judgement and the integrity if the procurement, directly or indirectly.
Ethical Wall Agreement	Mechanism agreed between 2 or more parties to avoid conflicts of interest.
Direct Award	An award that is made to a single supplier with limited competition. These are permitted in very limited circumstances under PA 2023 and should not be made without an Exception to the Normal Tendering Route approval and consulting your Commercial Resource.
Deed	A signed and sealed instrument containing some legal transfer, bargain, or contract.
Dynamic Market	A fully electronic compliant 'Approved List', where Suppliers can join at any point while the DM is open,

Term	Definition
	and they meet the Conditions of Participation.
Exception to the Normal Tendering Route	<p>A method of procurement that is contrary to these rules but the necessary permission has been obtained in accordance with this document.</p> <p>Not to be mistaken with Direct Award</p>
Electronic Tendering	A secure means to store and transmit all Procurement Documentation via a secure electronic vault (Pro-Contract).
Estimated Total Contract Value	The estimated value of a procurement as defined in this document.
Evaluating Officers	Members of the Evaluation Panel
Evaluation Panel	A group of relevant Officers of the Council, or appropriate stakeholders, who have the technical knowledge and experience to judiciously evaluate bids received in response to a procurement exercise.
External Grant Funding	Funding that is provided to the Council from an external body to deliver a specific requirement. This is <u>not</u> where the Council provides grant funding to third parties.
Financial Regulations	The financial regulations outlining officer responsibilities for financial matters, issued by the Section 151 Officer forming part of the Constitution.
Framework Agreement(s)	An agreement between one or more Contracting Authorities and one or more Economic Operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged.
Framework Supplier(s)	An Economic Operator who has successfully secured a place on a public framework contract.
Have Regard to	To consider the objectives and see what weighting if any they should have.
Invitation to Tender (ITT)	A key document within the Procurement Documentation which must contain or reference, the instructions for Bidders, specification, evaluation model and other relevant materials to allow the procurement activity to be concluded successfully.
Key Decision	<p>An executive decision taken by the Council which is likely to result in</p> <p>e) the relevant local authority incurring expenditure</p>

Term	Definition
	<p>which is, or the making of savings which are, significant having regard to the local authority's budget for the service or function to which the decision relates; or</p> <p>f) to be significant in terms of its effects on communities living or working in an area comprising two or more wards or electoral divisions in the area of the relevant local authority.</p>
Legal Support	The Councils nominated Legal resource.
Local	Where the supplier is based or established in Lincolnshire and has substantive business operations in Lincolnshire. In this context, this means having a registered office, factory or other permanent base and staff in that location through which meaningful business operations have been conducted for at least 12 months.
'MAT'	Most Advantageous Tender, whereby a combination of price, quality, social value, environmental impact and other relevant factors as appropriate specific to the contract rather than focusing solely on cost
Officer	The officer of the Council with responsibility for undertaking a procurement or commissioning activity.
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	As defined in UK General Data Protection Regulations 2018
Procurement Documentation	The full suite of procurement documents required to undertake a compliant procurement process. Includes but not limited to: SQ, Specification, ITT, Terms and Conditions and Form of Tender
Procurement Objectives	Objectives that are set out in the Procurement Act 2023:
Procurement Resource	Those in the Procurement Teams charged with providing direction and advice to secure compliance and Value for Money for procurement activities.
Request for Quotation (RFQ)	A simplified version of a tender documentation with a more streamlined and efficient process. As a minimum it should include a statement of requirements, terms and conditions and details of how the quotes will be

Term	Definition
	assessed and awarded.
Small and Medium sized Enterprise (SME)	A business that has fewer than 250 staff and has a turnover of an amount less than or equal to £44 million, or a balance sheet total of an amount less than or equal to £38 million.
Specification	a document which sets out the detailed requirements and scope of goods, services or works to be provided by the supplier. The specification should be written in a contractually enforceable manner.
Substantial Modification	Any change to the tender, or contract, that would or could, foreseeably change the interest of Economic Operators in the procurement or contract. In practice this means that any change that might result in additional Economic Operators interested in the procurement activity or contract.
Supplier	Any person who offers on the market supplies, services or works and who sought, who seeks, or who would have wished to be the person to whom a public contract is awarded. In this document Economic Operators are not yet active in the procurement process. If they are active in the process they will be named Bidders in this document.
Standstill Period	A period of time between the publishing of a Contract Award Notice and the award of a contract that must be observed.
Terms and Conditions	Special and general arrangements, governing laws, rules, requirements, standards etc. forming integral parts of a contract. To be provided by Legal Services Lincolnshire.
Total Contract Value	The total value of the successful Bidders' response which will be, or has been, formed into a contract with the local authority.
TUPE	Transfer of Undertakings (Protection of Employment) - TUPE refers to the Transfer of Undertakings (Protection of Employment) Regulations, 1981. These regulations were introduced to ensure the protection of employees when, for example, a business is taken over by another organisation. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.
Value for Money	Where quality and cost combine to produce a service which meets technical and customer requirements, at

Term	Definition
	an acceptable level of expenditure in the prevailing budgetary constraints, for an acceptable level of quality.

Agenda Item 10b



Annual Council

11 May 2026

Subject: Establishment of Committees, seat allocation based on political balance and Policy Committee Terms of Reference

Report by:

Monitoring Officer

Contact Officer:

Lisa Langdon, Monitoring Officer

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Executive Summary:

This report sets out the details of the political groups on the Council, the number of Members to be appointed to serve on each committee; the allocation to different political groups of seats on the committees; and the terms of reference for the Thriving Council Committee, Thriving Places Committee, and Thriving People Committee

Appendices to Report

- Appendix A – Composition of Groups
- Appendix B – Policy Committee Terms of Reference
- Appendix C – Political Balance Allocation

RECOMMENDATION(S):

- 1) that the details of political groups, as set out in Appendix A, be noted;
- 2) that the Terms of Reference for the Policy Committees as set out in Appendix B are approved;
- 3) that the allocation to different political groups of seats on committees, and the number of Members to be appointed to serve on each Committee as set out in Appendix C, is approved; and
- 4) that Council reaffirms its position to not politically balance the

Regulatory Committee alongside the other “Ordinary Committees” detailed in Appendix C.

1. Introduction

- 1.1 In accordance with the provisions of Section 15 of the Local Government and Housing Act 1989, the Council is required to review the allocation to different political groups of seats on committees and sub-committees at least annually at its AGM.
- 1.2 The last review of the allocations took place on 8 September 2025 at a meeting of Full Council.
- 1.3 This review has not been prompted by any changes to political groups.
- 1.4 Existing political groups for the purposes of the Local Government (Committees & Political Groups) Regulations 1990 are as follows:

Group	No. of Members	Leader	Deputy
The West Lindsey Administration Group	30	Councillor Jackie Brockway	Councillor Moira Westley
The West Lindsey Liberal Democrat Group	6	Councillor Trevor Young	Councillor Lesley Rollings

- 1.5 The Council currently has no ‘unaligned’ Members.
- 1.6 Full details of group membership are set out in Appendix A.

2. Policy Committee Terms of Reference

2.1 The Council agreed at its meeting on 13th April 2026 to move from a two Policy Committee model to a three Policy Committee Model. Members were presented with draft Terms of Reference for the new policy committees at the April meeting and it was agreed that final terms of reference would be presented to the Annual Council Meeting for approval. The three Policy Committees are reflective of the Council’s corporate plan themes of Thriving Council, Thriving People and Thriving Place, as follows:

- Thriving Council Committee
- Thriving People Committee
- Thriving Places Committee

2.2. A briefing session was held for Members on Thursday 23rd April at which the new Terms of Reference were outlined in detail, and all

Members have been sent a copy of the information which was presented at this briefing.

- 2.3 The role of the policy committees will remain the same, rather it is the remit of the policy committees which has changed. The final Terms of Reference add to what the Council already had in existence. The Council continues to operate a Committee System of governance with decisions continuing to be taken through the policy committees in accordance with the Constitution.
- 2.4 The final Terms of Reference can be seen at Appendix B and there are some terms that are generic to all three Policy Committees, and some that are specific to each one. The general terms will therefore apply to all three Committees and include authority to exercise functions relating to the delivery of services, approval of plans, policies and strategies within the Committee's remit, and to contribute to the budget setting as set out within the financial procedure rules and the Constitution.
- 2.2 The specific terms relate to the particular corporate theme that the Committee is responsible for (Thriving Council, Thriving People or Thriving Place) and lists the service areas which will be covered by each committee. If a certain function or area is not listed, the guiding principle is that the corporate theme it falls within will dictate which policy committee the matter is referred to.

3. Allocation of Seats to Political Groups

- 3.1 In accordance with the provisions of section 15 of the Local Government and Housing Act 1989 (Duty to allocate seats to political groups), the Council is required to give effect, so far as reasonably practicable, to the following specified principles:
 - (a) that not all the seats on a Committee/Sub-Committee are allocated to the same political group;
 - (b) that the majority of the seats on a Committee/Sub-Committee are allocated to a particular political group where the number of persons belonging to that group is a majority of the authority's membership;
 - (c) subject to paragraphs (a) and (b) above, that the number of seats on the ordinary Committees which are allocated to each political group bears the same proportion to the total of all the seats on the ordinary Committees of that authority as is borne by the number of Members of that group to the membership of the authority;
 - (d) subject to paragraphs (a) to (c) above, that the number of seats on the Committee/Sub-Committee which are allocated to each political group bears the same proportion to the number of all the seats on

that Committee/Sub-Committee as is borne by the number of members of that group to the membership of the authority.

3.2 (b) above applies to a lesser degree if there is no one Group with a majority of seats on the Council. External advice is sought when necessary to ensure the application of the rules is applied equitably.

3.3 The proposals set out in this report for Council's consideration with regards to the size and number of seats to be allocated to each political group on each of the Committees reflect the proposals of the Leader of the largest political group.

3.4 These are regarded as complying with the requirements for political proportionality as set out in the Local Government and Housing Act 1989, as far as reasonably practicable and are summarised below

- Standards Committee 5 Members

- Thriving Council Committee 7 Members
- Thriving Places Committee 7 Members
- Thriving People Committee 7 Members
- Governance Audit Committee 7 Members

- Chief Officer Employment Committee 9 Members
- Planning Committee 9 Members
- Overview and Scrutiny Committee 9 Members

- Licensing Committee 10 Members
- Regulatory Committee 10 Members

3.5 Applying group numbers to the seats available on the Committees gives the allocation set out in Appendix C.

3.6 It should be noted that in conforming to the requirements of principle (d) (i.e. allocating seats on each committee to political groups in the 'same proportion' as each group has on the Council as a whole) above, where the percentage is above or below 0.5, there is no prescribed legislative requirement for a strict rounding approach to be adopted. The allocation seeks to consider how all Groups are represented on individual committees, and ultimately reflect Council's wishes within the proportionality requirements in this regard.

3.7 As agreed as part of the annual review of the Council's Constitution during 2017/2018, historically the same Members comprise both the Licensing Committee and the Regulatory Committee. The Licensing Committee established in accordance with the provisions of the Licensing Act 2003 falls outside of the Political Balance Rules referred to in this report. The Licensing Committee must however have a minimum of 10 members. Due to its "linked" nature, the Council has previously resolved that the Regulatory Committee will also not be constituted strictly in accordance with the Political Balance Rules (subject to unanimous Council approval).

4 Alternative Options

	Option	Rational for not recommending
1	To not review the allocations	This is not feasible given the requirements of the constitution and given that an additional policy Committee is to be established
2.	To not approve the final Policy Committee Terms of Reference	The new Committee timetable for the year 2026/27 is due to start and if the Policy Committees do not have agreed Terms of Reference this would inhibit and restrict decision making and slow down delivery.

ASSOCIATED IMPLICATIONS

Legal:

Council is required to review the allocation to different political groups of seats on committees and sub-committees, in accordance with the provisions of Section 15 of the Local Government and Housing Act 1989, when either a trigger is met (election, resignation change in Group Membership) or at least annually at its annual meeting as set out in the Constitution.

This review is the annual review and there have been no changes in Group Membership

Financial:

Staffing:

None directly arising as a result of this report.

LGR implications:

None directly arising as a result of this report.

Equality and Diversity including Human Rights:

None directly arising as a result of this report.

Data Protection Implications:

None directly arising as a result of this report.

Climate Related Risks and Opportunities:

None directly arising as a result of this report.

Section 17 Crime and Disorder Considerations:

None directly arising as a result of this report.

Health Implications:

None directly arising as a result of this report

Risk Assessment:

None directly arising as a result of this report.

Title and Location of any Background Papers used in the preparation of this report:

Working Papers held by Democratic Services

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Local Government & Housing Act 1989

The Local Government (Committees and Political Groups) Regulations 1990

Political Groups on the District Council – May 2026

The West Lindsey Administration Group (30 Councillors)

(Comprising 13 Conservative Councillors, 11 Liberal Democrat Councillors, 3 Independent Councillors, 2 Lincolnshire Independent Councillors, and 1 Reform UK Councillor)

Conservative (13)

Councillor John Barrett

Councillor Owen Bierley

Councillor Jackie Brockway

Councillor Frazier Brown

Councillor Adam Duguid

Councillor Ian Fleetwood

Councillor Angela Lawrence

Councillor Paul Lee

Councillor Peter Morris

Councillor Maureen Palmer

Councillor Roger Patterson

Councillor Roger Pilgrim

Councillor Tom Smith

Liberal Democrat (11)

Councillor Emma Bailey

Councillor Eve Bennett

Councillor Matthew Boles

Councillor Stephen Bunney

Councillor Liz Clews

Councillor Jacob Flear

Councillor Lynda Mullally

Councillor Jim Snee

Councillor Mandy Snee

Councillor Paul Swift

Councillor Moira Westley

Independent Councillors (3)

Councillor Karen Carless

Councillor Jeanette McGhee

Councillor Diana Rodgers

Lincolnshire Independent (2)

Councillor Chris Darcel

Councillor Paul Key

Reform UK (1)

Councillor Trevor Bridgwood

The West Lindsey Liberal Democrat Group (6 Councillors)

(Comprising 5 Liberal Democrat Councillors and 1 Independent Councillor)

Liberal Democrat (16)

Councillor David Dobbie

Councillor Sabastian Hague

Councillor Lesley Rollings

Councillor Baptiste Velan

Councillor Trevor Young

Independent Councillor (1)

Councillor Paul Howitt Cowan

Constitution of West Lindsey District Council

Part IV

Responsibility for Functions



Responsibility for Functions

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Council

The following functions will only be exercised by the full Council:

1. To approve and adopt the following plans and strategies which together make up the Council's budgetary and policy framework:
 - Budget¹ and Council Tax including council tax base
 - Corporate Plan
 - Local Plan
 - Local Council Tax Support Scheme
 - Housing Strategy Statement
 - Statements of Licensing Policy and Gambling Policy
 - Pay Policy Statement
2. To consider and determine whether any additional plans or strategies, both statutory and non-statutory, should be adopted or approved;
3. To adopt and change the Constitution when necessary after consideration by the Governance and Audit Committee;
4. At the annual meeting to appoint the Leader and Deputy Leader of the Council;
5. To consider a resolution to remove the Leader and/or Deputy Leader and appoint a replacement Leader and/or Deputy Leader;
6. At the annual meeting to appoint the Chairman and Vice-Chairman of the Council;
7. To agree and/or amend the terms of reference for committees, deciding on their composition and making appointments to them;
8. To appoint representatives to outside bodies;
9. To adopt an allowances scheme under Part VI of the Constitution;
10. To determine any changes to the name of the district;
11. To confirm the appointment and the dismissal of the Head of the Paid Service;
12. To consider advice, views and recommendations from the Independent Panel (Section 27a of the Localism Act) and agree action to be taken in relation to Chief Executive/statutory officer disciplinary matters.

¹ The budget includes the allocation of financial resources, including the setting of fees and charges, for different services and projects, proposed contingency funds, the council tax base, setting the Council Tax, controlling the Council's borrowing requirement and capital expenditure in line with CIPFA's "Prudential Code for Capital Finance in Local Authorities", and the setting of virement limits.

13. To designate the Head of Paid Service, Monitoring Officer, Chief Finance Officer (Section 151 Officer) and Electoral Registration Officer / Returning Officer.
 14. To receive and consider reports from the Council's three statutory officers;
 15. To make, amend, revoke, re-enact or adopt bye laws and to promote or oppose the making of local legislation or personal bills;
 16. To consider those matters referred to it from time to time by the policy committees, the overview and scrutiny committee and by other council committees;
 17. To confer the title of Honorary Alderman and Freeman;
 18. To adopt the Council's Codes of Conduct.
 19. To exercise all local choice functions which the Council decides should be undertaken by itself rather than the policy committees;
 20. To consider and debate motions raised by Councillors;
 21. To debate issues that are the subject of petitions signed by a specified number of people (as set out in the Petitions Scheme in the appendix to the Constitution);
 22. To approve the appointment of external auditors for five financial years commencing 1 April 2018 and the approval of the Terms of Reference.
 23. To consider all other matters which, by law, must be reserved to Council.
 24. To adopt neighbourhood plans following a successful referendum.
-

Policy Committees

The Council has established 3 Policy committees -

- **Thriving Council Committee**
- **Thriving Places Committee**
- **Thriving People Committee**

Roles and Functions

The following roles and functions apply to all policy committees -

1. *All Policy Committees shall have delegated authority to exercise the Council's functions relating to the delivery of services by, or on behalf of the Council and through any partnership arrangements that fall within the Committee's remit as set out below, subject to any restrictions set out elsewhere in the Council's Constitution including those matters reserved for determination by Full Council and as set out in the Financial Regulations and Contract Procedure Rules.*
2. *The Chair and Vice Chair of each Policy Committee shall assume the role as 'Lead Member' for issues within their committees remit and accordingly be designated as the Member representatives of the corresponding internal Strategic Delivery Panel, with invitations to the Strategic Delivery Panels also being extended to the Leader and Deputy Leader of the Council.*
3. *The development, approval and review of any plans, policies and strategies within the Committee's remit, subject to the requirement to make recommendations to the Thriving Council Committee and Full Council as set in the budget and policy procedure rules.*
4. *To approve programmes of work, monitor performance and take decisions in respect of those matters within its remit.*

5. *To maintain an oversight of performance within the committee's remit including work performed by an external provider appointed to deliver services which fall under the remit of the Committee*
6. *To consider and determine issues about any policy document from other organisations which affect the District and are related to the Committee's area of responsibility.*
7. *To contribute to the budget setting process as set in the financial procedure rules and as set out within this Constitution.*
8. *To review and recommend all fees and charges for services within the Committee's remit as part of the budget setting process.*
9. *To manage any budget assigned to the individual Committee*
10. *Approval of contracts in accordance with the Contract Procedure Rules.*

Remits

1. *Detailed below are the areas and services that fall within each policy committees' remit.*
2. *Where a function does not clearly fall within the remit of one particular committee, the Monitoring Officer in consultation with the Leader of the Council and relevant Committee Chairman will determine the most appropriate committee to deal with the matter, and in the event of any conflicting views, the matter in question will be referred to the Thriving Council Committee.*
3. *The policy committees may sit concurrently if required.*

Thriving Council Committee

1. *Responsibility for delivering against the ‘Thriving Council’ theme of the Council’s Corporate Plan - “Our West Lindsey, Our future 2026 – 2030” and the following priorities related to the theme –*
 - *Deliver good quality service for residents and businesses*
 - *Be a well managed council*
 - *Be a forward looking council*
2. *Develop, formulate and recommend the annual budget to Full Council in accordance with the Budget Policy Framework and financial procedure rules*
3. *The control and management of resources, including land, property, finance and staff to further the Council’s objectives including the delegation of specific budgets to the Thriving Places Committee and the Thriving People Committee, such budget to be allocated in accordance with their terms of reference.*
4. *The approval of the Committee timetable for each municipal year.*
5. *The exercise of any function, duty or power of the Council which is not delegated to another Committee, Sub-Committee or an officer, or reserved for decision by full Council under this Constitution or by law.*
6. *To recommend fees and charges to Full Council, and to change an individual fee and/or charge where the Authority needs to respond to market changes or changes to the cost base.*
7. *Approving the creation of any new legal entity and appointments of Directors or other officers onto the Board of the legal entity and the nomination of the shareholder representative. This includes changing the directorship if required and this function cannot be sub delegated to an officer.*
8. *Service Areas – the following services area shall fall within the remit of this committee -*

- *Finance and Accountancy*
- *Treasury Management*
- *Revenues and Benefits*
- *Equality and Diversity*
- *Land charges*
- *Property and Assets*
- *Bereavement Services*
- *Car Parking Policy and Strategy*
- *Human Resources*
- *Democratic and Elections*
- *Communications*
- *ICT and digital*
- *Customer Services*
- *Any other functions under the Thriving Council Theme*

Thriving Places Committee

1. *Responsibility for delivering against the ‘Thriving Places’ theme of the Council’s Corporate Plan – “Our West Lindsey, Our future 2026-2030” and the following priorities related to the theme –*

- *Enabling inclusive local growth and regeneration*
- *Deliver homes that meet local need*
- *Support clean green and safe communities*

2. *Service areas - the following services area shall fall within the remit of this committee –*

- *Strategic Housing*
- *Spatial Policy and Local Plan*
- *Enabling affordable homes*
- *Economic development*
- *Markets*
- *Tourism*
- *Support to businesses*
- *Antisocial behaviour*
- *Public protection and environmental issues*
- *Litter, recycling, waste and street cleansing*
- *Planning and Development*
- *Housing Strategies*
- *And any other functions under the Thriving Places Theme*

Thriving People Committee

1. *Responsibility for delivering against the ‘Thriving People’ theme of the Council’s Corporate Plan – “Our West Lindsey, Our Future 2026-2030” and the following priorities related to the theme -*
 - *Champion health, wellbeing, culture and active lifestyles*
 - *Supporting communities to thrive*
 - *Enable independent living, improve housing conditions and support vulnerable residents*
 - *Boost skills and pathways into employment*

2. *Service areas - the following services area shall fall within the remit of this committee –*
 - *Community wellbeing including health, crime and disorder*
 - *Community interaction and engagement*
 - *Home options*
 - *Private sector housing*
 - *Health and wellbeing*
 - *Public health*
 - *Leisure and culture*
 - *Any other functions under the Thriving People Theme*

Corporate Policy and Resources Committee

As the principal committee of the Council to be responsible for:

1. ~~The formulation (but not the adoption or approval) of:~~
 - ~~(a) the Policy Framework,~~
 - ~~(b) the budget; and~~
 - ~~(c) the Council’s objectives and priorities.~~

2. ~~The control and management of resources, including land, property, finance and staff to further the Council’s objectives, including the delegation of specific budgets to the Prosperous Communities~~

~~Committee for a specific purpose, for the services quoted in their Terms of Reference.~~

- ~~3. Ensuring compliance with the Council's budget including its revenue and capital budgets and the management of the Council's assets.~~
- ~~4. The performance framework of the council.~~
- ~~5. The approval of the Committee timetable for each municipal year.~~
- ~~6. The exercise of the Council's functions relating to:
 - ~~• Equality and Diversity~~
 - ~~• Health and Safety (as an employer)~~
 - ~~• Voluntary Sector~~
 - ~~• Climate change~~
 - ~~• Information Assurance~~~~
- ~~7. The adoption and approval of strategies and policies not forming part of the Policy Framework apart from those policies for which delegated power is given to the Head of Paid Service to approve under Part IV of this Constitution.~~
- ~~8. The exercise of any function, duty or power of the council which is not delegated to another Committee, Sub-Committee or an officer, or reserved for decision by full Council under this Constitution or by law.~~
- ~~9. To recommend fees and charges for service areas within its remit or following a recommendation from the Prosperous Communities Committee, to full Council.~~
- ~~10. In addition to recommending fees and charges to Council on an annual basis, CP&R has the delegation to change individual fees and charges where the Authority needs to respond to market changes or changes to the cost base.~~
- ~~11. Approving the creation of any new legal entity and appointments of directors or other statutory officers onto the Board of the legal entity and the nomination of the shareholder representative. This includes changing the directorship if required and this function cannot be sub-delegated to an officer.~~
- ~~12. Approval of the business plans of any wholly owned, companies, joint ventures or other legal entity in which the Council has an interest.~~
- ~~13. To make appointments to be Member Champions deemed to be relevant to the remit of the Committee.~~

~~This Committee can meet concurrently with the Prosperous Communities Committee.~~

~~Prosperous Communities Committee~~

To be responsible for the following areas:

1. ~~The regeneration, housing and planning strategies which together form the council's approach to place shaping.~~
2. ~~The Council's role in the community around health and crime and disorder including the wellbeing of the community and the development of partnerships.~~
3. ~~The Council's approach to community interaction and engagement.~~
4. ~~To manage any budget assigned to the Committee by the Corporate Policy and Resources in relation to the service areas listed under paragraph 5.~~
5. ~~All services under these strategic areas :~~
 - a. ~~Strategic Housing~~
 - b. ~~Home Options~~
 - c. ~~Private Sector Housing~~
 - d. ~~Enabling Affordable Homes~~
 - e. ~~Supporting People~~
 - f. ~~Economic Development~~
 - g. ~~Markets and Car Park Policy~~
 - h. ~~Tourism~~
 - i. ~~Countryside Management and Open Space~~
 - j. ~~Support to Business~~
 - k. ~~Growth~~
 - l. ~~Litter, Recycling, Waste and Street Cleansing~~
 - m. ~~Anti-Social Behaviour~~
 - n. ~~Family Intervention~~
 - o. ~~Public Protection and Environmental Issues~~
 - p. ~~Public Health~~
 - q. ~~Transport~~
 - r. ~~Leisure and Culture~~
 - s. ~~Planning and Development~~
 - t. ~~Land Charges~~
 - u. ~~Cemeteries and Bereavement services~~
6. ~~The Prosperous Communities Committee is responsible for overseeing an effective partnership approach throughout the Council. The Prosperous Communities Committee is responsible for approving protocols, delegations, including frameworks to inform decisions around partnership engagement. The Prosperous Communities Committee is the focus for forming partnerships with other local public, private, voluntary and community sector organisations **to address local needs** (where there is a financial implication this will need to be considered by the Corporate Policy and Resources Committee).~~

- ~~7. — Exercising the Council's statutory functions in these areas.~~
- ~~8. — Authorising the institution, prosecution or defence of any legal proceedings in connection with the functions of the committee.~~
- ~~9. — Adopting any relevant plans, strategies and policies other than those identified for adoption by the Council or the Corporate Policy and Resources Committee.~~
- ~~10. — To recommend fees and charges for service areas within its remit to Corporate Policy and Resources / full Council.~~
- ~~11. — To make appointments to be Member Champions deemed to be relevant to the remit of the Committee.~~

~~This Committee can meet concurrently with the Corporate Policy and Resources Committee.~~

Appendix C

Political Make-up of the Council, on which calculations have been based: -

<u>Political balance on the Council</u>		
Group	No.	%
/ WL Admin	30	83.3333%
£ WL Lib Dems	6	16.6667%
£ n/a	0	0.0000%
£ n/a	0	0.0000%
Vacant	0	0.0000%
Council of	<u>36</u>	<u>100%</u>

Number of Seats allocated to each Group based on vary size Committees and rounding applied for each individual Ordinary Committee.

<u>Single committee spread (or sub-committee)</u>												
Committee Size	% WLA		Rounded to whole		WLLD		N/A		N/A		Vacant	
	18	15.000	15	3.000	3	0.000	0	0.000	0	0.000	0	0.000
17	14.167	14	2.833	3	0.000	0	0.000	0	0.000	0	0.000	0
16	13.333	13	2.667	3	0.000	0	0.000	0	0.000	0	0.000	0
15	12.500	12 OR 13	2.500	2 OR 3	0.000	0	0.000	0	0.000	0	0.000	0
14	11.667	12	2.333	2	0.000	0	0.000	0	0.000	0	0.000	0
13	10.833	11	2.167	2	0.000	0	0.000	0	0.000	0	0.000	0
12	10.000	10	2.000	2	0.000	0	0.000	0	0.000	0	0.000	0
11	9.167	9	1.833	2	0.000	0	0.000	0	0.000	0	0.000	0
10	8.333	8	1.667	2	0.000	0	0.000	0	0.000	0	0.000	0
9	7.500	7 OR 8	1.500	1 OR 2	0.000	0	0.000	0	0.000	0	0.000	0
8	6.667	7	1.333	1	0.000	0	0.000	0	0.000	0	0.000	0
7	5.833	6	1.167	1	0.000	0	0.000	0	0.000	0	0.000	0
6	5.000	5	1.000	1	0.000	0	0.000	0	0.000	0	0.000	0
5	4.167	4	0.833	1	0.000	0	0.000	0	0.000	0	0.000	0
4	3.333	3	0.667	1	0.000	0	0.000	0	0.000	0	0.000	0
3	2.500	2 OR 3	0.500	0 OR 1	0.000	0	0.000	0	0.000	0	0.000	0

Selected Committee Size Option and Balance Across Total Number of Ordinary Committees

Fig 1

V1 Committees	Places	WLA	WLLD	NA	NA	check
Thriving Council	7	6	1	0	0	7
Thriving People	7	6	1	0	0	7
Thriving Place	7	6	1	0	0	7
Planning	9	7	2	0	0	9
Chief Officer Employment	9	7	2	0	0	9
Standards	6	5	1	0	0	6
Overview and Scrutiny	9	7	2	0	0	9
Governance and Audit	7	6	1	0	0	7
Total	61.00	50	11	0	0	61
Number of committees requiring variation to achieve overall balance of:		nil	nil			
		50	11			

Fig 2

GROUP	Proportion	% of C/I	Rounded to whole	% comparator of whole numbers
** WLA	50.8313	0.8333	50	0.81967
WLLD	10.1260	0.1660	11	* 0.18033
N/A	0.0000	0.0000	0	*
N/A	0.0000	0.0000	0	*
	61.00		61	

TABLE 1 –

ORDINARY COMMITTEES SPLIT PER GROUP HAVING APPLIED ANY VARIATIONS REQUIRED

	WLA	WLLD	Total
Thriving Council	6	1	7
Thriving People	6	1	7
Thriving Place	6	1	7

Planning	7	2	9
Chief Officer	7	2	9
Standards	5	1	6
Overview and Scrutiny	7	2	9
Governance and Audit	6	1	7
Total no. of seats (61)	50	11	61

TABLE 2 - NON-ORDINARY COMMITTEES

	WLA	WLLD	Total
Licensing (10)	8	2	10
Regulatory (10)	8	2	10
Total no. of seats (20)	16	4	20

Note the membership of the two committees above has previously been identical – Council are been asked to re-affirm this arrangement

Licensing Committees must comprise at least 10 Members in accordance with the LA 2003

These meetings do not have to be politically balanced.

Agenda Item 10c



Annual Council

11 May 2026

Subject: Appointment of Members to the Committees for the 2026/2027 Civic Year

Report by:

Monitoring Officer

Contact Officer:

Katie Storr, Democratic and Elections Team
Manager
Katie.storr@west-lindsey.gov.uk

Executive Summary:

This report sets out the wishes expressed by political groups in respect of the appointment of Members to serve on the Committees of the Council for the civic year 2026/2027 as result of the allocations having been amended under Section 15 of the Local Government and Housing Act 1989.

Appendices to Report

- None

RECOMMENDATION(S):

- That in accordance with the provisions of section 16 of the Local Government and Housing Act 1989 and the wishes expressed by political groups, Members be appointed to serve on the Council's Committees for the 2026/2027 civic year as set out within this report or provided verbally at the meeting;**
- that the Chief Executive give effect to the wishes expressed by political groups as to the members of the group that shall fill the seats allocated to them where these are not provided at the meeting (subject to legal deadline).**

1. Introduction

- 1.1 In accordance with the provision of section 16 of the Local Government and Housing Act 1989, it is the duty of the Council to make appointments to Committees in accordance with the wishes expressed by political groups following the determination under section 15 (the allocation of seats to political groups- covered by an earlier report at the same meeting).
- 1.2 Section 2 details the wishes expressed by the political groups to-date.

2 Appointment of Committees

2.1 Chief Officer Employment Committee (9 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.2 Thriving Council Committee (7 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.3 Thriving Places Committee (7 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.4 Thriving People Committee (7 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.5 Governance and Audit Committee (7 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.6 Licensing Committee (10 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.7 Regulatory Committee (10 Members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.8 Planning Committee (9 Members)

Councillor
Councillor

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.9 Overview and Scrutiny Committee (9 members)

Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor
Councillor

2.10 Standards Committee (5 Members)

Councillor
Councillor
Councillor
Councillor
Councillor

(No.) Alternative Options

	Option	Rational for not recommending
1	To not appoint Members to Committees	This would not address legal requirements, and the Council would be unable to operate

ASSOCIATED IMPLICATIONS

Legal:

In accordance with the provisions of section 16 of the Local Government and Housing Act 1989 it is the duty of the Council to make appointments to Committees in accordance with the wishes expressed by political groups following the determination under section 15 (the allocation of seats to political groups covered by an earlier report at the same meeting).

Groups must express their wishes within a 3-week period or the matter returns to Full Council , who may appoint the seats as they choose.

Financial: FIN/24/27/SSC

No financial implications arising from this report

Staffing:

None directly arising from this report

LGR implications:

None

Equality and Diversity including Human Rights:

None directly arising from this report

Data Protection Implications:

None directly arising from this report

Climate Related Risks and Opportunities:

None directly arising from this report

Section 17 Crime and Disorder Considerations:

None directly arising from this report

Health Implications:

None directly arising from this report

Risk Assessment:

Title and Location of any Background Papers used in the preparation of this report:
These are not appendices – you should list here any supporting information used to inform your report – eg government guidance –

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Agenda Item 10d



Annual Council

11 May 2026

Subject: Appointment of Committee Chairmen and Vice-Chairmen for 2026/2027 Civic Year and to agree the normal commencement time for each Committee

Report by:

Monitoring Officer

Contact Officer:

Katie Storr, Democratic and Elections Team
Manager
Katie.storr@west-lindsey.gov.uk

Executive Summary:

This report seeks to appoint Chairmen and Vice-Chairmen to each of the Committees for the 2026/2027 Civic Year and agree the normal commencement time of each of the Committees.

Appendices to Report

- None

RECOMMENDATION(S):

- (a) That Council appoint Chairmen and Vice-Chairmen, for the 2026/27 Civic Year to the following Committees: -
- (a) Chief Officer Employment Committee
 - (b) Thriving Council Committee
 - (c) Thriving Places Committee
 - (d) Thriving People Committee
 - (e) Planning Committee
 - (f) Governance and Audit Committee
 - (g) Licensing Committee
 - (h) Overview and Scrutiny Committee
 - (i) Regulatory Committee
 - (j) Standards Committee

- (b) That Council agrees the normal commencement time for each of the above-named Committees in accordance with the schedule detailed in Table 1 of the report.

1. Introduction

- 1.1 In accordance with the Constitution, the Full Council is the responsible body for the appointment of Chairmen and Vice-Chairmen to each Committee.
- 1.2 The Full Council is also responsible for determining the normal commencement time for each of the committees.
- 1.3 Table 1 below sets out the nominations for each available position and proposed commencement time for each Committee. It is being proposed that the Governance and Audit Committee commencement time moves to 6.00pm as opposed to 2.00pm.
- 1.4 Counter nominations are acceptable at the meeting, except in the case of the Chairman for the Chief Officer Employment Committee and the Thriving Council Committee, which are chaired by the Leader of the Council or their nominee, as stated in the Constitution.

Table 1

Committee	Chairman	Vice Chairman	Normal Start Time
Chief Officer Employment	(Leader or Leader's Nominee) Councillor	Councillor	Meetings convened as required
Thriving Council	(Leader or Leader's Nominee) Councillor	Councillor	6.30pm
Thriving Places	Councillor	Councillor	6.30pm
Thriving People	Councillor	Councillor	6.30pm
Planning	Councillor	Councillor	6.30pm
Governance & Audit	Councillor	Councillor	6.00pm
Licensing*	Councillor	Councillor	6.30pm**
Overview & Scrutiny	Councillor	Councillor	6.30pm**
Regulatory*	Councillor	Councillor	6.30pm**
Standards	Councillor	Councillor	6:00pm

* Position must be held by same person

** Sub-Committees for these meetings will be convened as required and start times agreed per meeting.

(2) Alternative Options

	Option	Rational for not recommending
1	To not appoint Chairmen/ Vice Chairmen	Each Committee would have to agree a Chairman for the meeting only as and when each committee met – whilst this legally can be done, it is impractical and provides no political lead with which officers can work.

ASSOCIATED IMPLICATIONS

Legal:

It is the responsibility of Full Council to agree Chairmanships, Vice-Chairmanships, and start times for meetings at its Annual meeting as per the Constitution.

Financial: FIN/25/27/SSc

Special Responsibility Allowances (SRAs) are payable to Committee Chairmen and Vice-Chairmen at a rate agreed by the Independent Remuneration Panel. These costs are met from the Members' Allowance budget which is set following any recommendation from the Panel and subsequent approval by Full Council.

The current Administration has expressed the wish that no Councillor shall be awarded more than one SRA, and that no Committee shall have more than one Vice-Chairman

All payable Special Responsibility Allowances in this report can be met from existing budgets of £74.1k for 2026/27.

Staffing:

None directly arising as a result of this report.

LGR implications:

None directly arising as a result of this report.

Equality and Diversity including Human Rights:

None directly arising as a result of this report.

Data Protection Implications:

None directly arising as a result of this report.

Climate Related Risks and Opportunities:

None directly arising as a result of this report.

Section 17 Crime and Disorder Considerations:

None directly arising as a result of this report.

Health Implications:

None directly arising as a result of this report.

Risk Assessment:

None directly arising as a result of this report.

Title and Location of any Background Papers used in the preparation of this report:

Nominations received from Administration.

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

Agenda Item 10e



Annual Council

11 May 2026

Subject: Appointments on Outside Bodies Which Have Expired

Report by:

Monitoring Officer

Contact Officer:

Katie Storr, Democratic and Elections Team
Manager

Katie.storr@west-lindsey.gov.uk

Executive Summary:

This report seeks to appoint to those positions on Outside Bodies which are due to expire by the Annual General Meeting in May 2026.

Appendices to Report

- Appendix A - Information Sheet regarding the Outside Bodies to be appointed to.

RECOMMENDATION(S):

- (a) That Council appoint a Member to serve on the Trustees of Francis Barker Trust, the Trustees of Gainsborough Education Charity, and the Trustees of W G Rose Memorial until the end of the civic year 2030/31.

1 Introduction - Outside Bodies – Expired Appointments

- 1.1 The Council makes a number of appointments to Outside Bodies, where such bodies have requested formal representation, and is required annually to make appointments to such outside bodies where vacancies exist.
- 1.2 The majority of Outside Body appointments now have a four-year term and expire in-line with the elections cycle. However, there are three appointments which are due to expire for the Annual General Meeting 2026. These are:
- **Trustees of Francis Barker Trust**
 - **Trustees of Gainsborough Education Charity**
 - **Trustees of W G Rose Memorial**
- 1.4 All three positions must be held by the same person, at the request of the Outside Bodies, due to the logistics of their meetings.
- 1.5 Brief details for each of the Outside Bodies, are provided at Appendix A, including meeting venues and expected number of meetings
- 1.6 Council are asked to nominate a Member to serve across the three bodies for a four-year period.

2 Alternative Options

	Option	Rational for not recommending
1	To not make appointments	The Council could choose not to appoint a Member, however the Council has a long term commitment to the outside Body and there may be a reputation risk to not appoint.

ASSOCIATED IMPLICATIONS

Legal:

Appointment to outside bodies is a requirement of the Constitution and predominantly runs on a four-year cycle, aligned with Members' terms of office. However, where an Outside Body requires their appointments to run on a different cycle, Council are requested to re-appoint as necessary.

Members are required to disclose their outside body appointments on part 2 of their register of interests form.

Financial:

Members are entitled to claim travelling allowances (0.45p per mile) for attendance at bodies and groups to which they have been formally appointed,

Costs can be met from within existing member travel budgets.

Staffing:

None arising from this report

LGR implications:

None arising from this report

Equality and Diversity including Human Rights:

None arising from this report

Data Protection Implications:

None arising from this report

Climate Related Risks and Opportunities:

None arising from this report

Section 17 Crime and Disorder Considerations:

None arising from this report

Health Implications:

None arising from this report

Risk Assessment:

None arising from this report

Title and Location of any Background Papers used in the preparation of this report:

Correspondence with Outside Body agencies, held by Democratic Services

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

NAME OF OUTSIDE BODY	W G ROSE MEMORIAL
TYPE OF OUTSIDE BODY	e.g. Statutory/Community/Charity? REGISTERED CHARITY
CONTACT NAME AND ADDRESS & Tel No.	POSTAL ADDRESS: Mrs M Bradley – Clerk to the Trustees Burton & Dyson, 22 Market Place, GAINSBOROUGH DN21 2BZ
Email address	mbcharitygrant822@outlook.com
NUMBER OF REPRESENTATIVES REQUIRED	Two (4 year appointment)
MEMBER APPOINTED	ClIr M Boles; Mrs Jessie Milne – to 2026
VENUE / FREQUENCY / DURATION / TIME OF MEETINGS	Meetings held twice a year at the offices of Burton& Dyson on a Monday at 3.30pm in March and November and lasts approx. 2 hours
REQUIREMENTS / OR QUALIFICATIONS (where applicable)	nil
BACKGROUND	Income is for the benefit of Queen Elizabeth's High School
SUBSTITUTES ALLOWED	No
PUBLIC LIABILITY INSURANCE	No
PERSONAL INDEMNITY INSURANCE	No
GRANT AID / ASSISTANCE RECEIVED FROM WLDC	No
OTHER INFORMATION	Trustees appointed to this charity are also appointed to Gainsborough Educational Charity and Francis Barker Charity. Meetings follow on and the total time for all 3 meetings is approx. 2 hours

NAME OF OUTSIDE BODY	FRANCIS BARKER CHARITY
TYPE OF OUTSIDE BODY	e.g. Statutory/Community/Charity? REGISTERED CHARITY
CONTACT NAME AND ADDRESS & Tel No.	POSTAL ADDRESS: Mrs M Bradley – Clerk to the Trustees Burton & Dyson, 22 Market Place, GAINSBOROUGH DN21 2BZ
Email address	mbcharitygrant822@outlook.com
NUMBER OF REPRESENTATIVES REQUIRED	Two (<u>4-year</u> appointment)
MEMBER APPOINTED	Cllr M Boles; Mrs Jessie Milne – to 2026
VENUE / FREQUENCY / DURATION / TIME OF MEETINGS	Meetings held twice a year at the offices of Burton& Dyson on a Monday at 3.30pm in March and November and lasts approx. 2 hours
REQUIREMENTS / OR QUALIFICATIONS (where applicable)	nil
BACKGROUND	To assist persons in need and to contribute to and support charitable organisations, institutions or trusts within Gainsborough, Lea and Morton
SUBSTITUTES ALLOWED	No
PUBLIC LIABILITY INSURANCE	No
PERSONAL INDEMNITY INSURANCE	No
GRANT AID / ASSISTANCE RECEIVED FROM WLDC	No
OTHER INFORMATION	Trustees appointed to this charity are also appointed to Gainsborough Educational Charity and W G Rose Memorial. Meetings follow on and the total time for all 3 meetings is approx. 2 hours

NAME OF OUTSIDE BODY	GAINSBOROUGH EDUCATIONAL CHARITY
TYPE OF OUTSIDE BODY	e.g. Statutory/Community/Charity? REGISTERED CHARITY
CONTACT NAME AND ADDRESS & Tel No.	POSTAL ADDRESS: Mrs M Bradley – Clerk to the Trustees Burton & Dyson, 22 Market Place, GAINSBOROUGH DN21 2BZ
Email address	mbcharitygrant622@outlook.com
NUMBER OF REPRESENTATIVES REQUIRED	Two (<u>4-year</u> appointment)
MEMBER APPOINTED	Cllr M Boles; Mrs Jessie Milne – to 2026
VENUE / FREQUENCY / DURATION / TIME OF MEETINGS	Meetings held twice a year at the offices of Burton & Dyson on a Monday at 3.30pm in March and November and lasts approx. 2 hours
REQUIREMENTS / OR QUALIFICATIONS (where applicable)	nil
BACKGROUND	Awards grants for further education, books, uniforms, musical instruments etc to assist young people aged 11-25 years who are or their parents are resident in Gainsborough, Thornock , Lea or Morton.
SUBSTITUTES ALLOWED	No
PUBLIC LIABILITY INSURANCE	No
PERSONAL INDEMNITY INSURANCE	No
GRANT AID / ASSISTANCE RECEIVED FROM WLDC	No
OTHER INFORMATION	Trustees appointed to this charity are also appointed to Francis Barker Charity and W G Rose Memorial. Meetings follow on and the total time for all 3 meetings is approx. 2 hours



Annual Council

Monday, 11 May 2026

Subject: Overview & Scrutiny Annual Report 2025/26 and Review of Operating Methodology

Report by:

Councillor J. McGhee
Chairman of the Overview and Scrutiny Committee

Contact Officer:

Ele Snow
Senior Democratic and Civic Officer

Ele.Snow@west-lindsey.gov.uk

Purpose / Summary:

To present the Annual Report from the Chairman of the Overview and Scrutiny Committee

RECOMMENDATION(S):

That Members receive the Annual Report from the Overview and Scrutiny Committee

IMPLICATIONS

Legal: The Chairman of the Committee is required constitutionally (Part II, Article 7, paragraph 7.6) to submit an annual report to Council on the work the Committee has undertaken.

Financial: FIN/22/27/CL/SSc

There are no financial implications arising from this report.

Staffing: The Committee is supported from existing resources and there are no other implications arising from this report.

Equality and Diversity including Human Rights:

Data Protection Implications:

Climate Related Risks and Opportunities:

Section 17 Crime and Disorder Considerations:

Health Implications:

Title and Location of any Background Papers used in the preparation of this report:

Agenda and minutes arising from the meetings of the Overview and Scrutiny Committee held during the 2025/2026 civic year, all of which are located on the West Lindsey District Council website and can be found [here](#)

<https://democracy.west-lindsey.gov.uk/ieListMeetings.aspx?CIId=386&Year=0>

Risk Assessment:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

X

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

X

1 Introduction

- 1.1 The Chairman of the Committee is required constitutionally (Part II, Article 7, paragraph 7.6) to submit an annual report to council, in which she details the work the committee has undertaken through the previous civic year and summarise the proposals for the work plan over the coming year. In line with the terms of reference for the committee, the Chairman should also update Annual Council with any amendments to the committee's operating methodology.
- 1.2 The Chairman's Annual Report is set out below.

2 Chairman's Annual Report

- 2.1 I must first express my gratitude to my predecessor for his excellent stewardship of the Committee, and whose kind guidance when I was Vice-Chair helped prepare me for this role.
- 2.2 The current year has seen many changes across the Council, as well as the announcement of several significant national programmes of change. Throughout uncertain times, the work of our committee has continued at pace, with guests and officers attending our meetings as we exercise both our scrutiny and overview functions. I would like to thank the Committee for being so supportive and accommodating as I have had the privilege of holding my first Chair of a Committee. The weight of the responsibility has not been lost on me but the input of the whole committee and their enthusiasm for the work that we do has made that both enjoyable and highly effective.
- 2.3 There has been a shift in the ethos of the committee in that we see Overview and Scrutiny as having a horizon scanning function, being aware of not just the workings and scrutiny of upcoming council items, but also of anything that might affect West Lindsey residents and how that in turn might affect the council and its functions. This is in line with the training we have received regarding the purpose and scope of Overview and Scrutiny.
- 2.4 The Committee has continued to be involved with the Progress and Delivery reporting cycle, including inputting to the reviewed measure setting approach for 2026/27, although our focus has been more aimed towards our external partners this year. Our Members have helped shape the work plan over the year, with items received regarding Battery Energy Storage Systems, and Emergency Planning, amongst others. More information on these items is provided in sections 3 and 4 of this report.
- 2.5 At our first meeting of the year we approved the unaltered Operating Methodology, as is required of the Committee each Civic Year. In anticipation of this year's review, the Operating Methodology is attached at Appendix 1, with further details of the review provided in section 5 of this report.

- 2.6 Outside of committee business, in October 2025 we received a timely refresher of our scrutiny training, which helped focus our thinking as a collective, and as Chairman, my briefings with officers ahead of each meeting have helped to build those strong working relationships needed for effective scrutiny. The upcoming year will see the continued focus on strengthening our ties with our external partners, especially when we consider the Local Government Reorganisation and where we sit within that.

3 Consideration of Public Reports

- 3.1 We have considered a number of items this past year which have either been focused topics for our committee, or where we have added comments prior to approval by other committees or Full Council.
- 3.2 The first example of our overview focused work was the presentation from officers regarding the planning processes around Battery Energy Storage Systems. This was a matter of concern across the council which had been picked up by the committee for a deeper review. Whilst it isn't an area we can directly manage within the council, it was important for us to understand where we are able to influence, and increase our understanding to be able to offer reassurance to our residents.
- 3.3 We also received the early scope and explanation of the Pride in Place programme. This is a Gainsborough focused programme from central government, but as a committee we were able to hear the early implementation plans as well as the potential benefits for the district as a whole. The possibilities for wider investment being encouraged in West Lindsey are exciting to follow, and as a committee there will be opportunities for us to work closely with other agencies involved in the programme.
- 3.4 Another key area of work on which the committee was able to offer comment and feedback, was the refreshed Corporate Plan. This is an area of work which has been developed over many months with key input from officers and Members, and we were pleased to see our feedback helping form the final plan as it was given final approval by Full Council in March 2026.
- 3.5 The opportunity for pre-decision scrutiny is something this committee has taken to heart, and I would like to thank officers involved in those items for their clear presentations and for welcoming the committee's feedback.

4 Programme of Outside Agencies and Presentation Items

- 4.1 The year has seen a varied programme of invited guests and presenters, covering public health matters, local leisure provision, emergency planning, and the annual presentation from Lincolnshire Police, which,

although comes under statutory requirements, it is always a pleasure to welcome Inspector Head to hear his local updates and view on policing matters.

- 4.2 In January this year we welcomed representatives from Lincolnshire Resilience Forum, who provided details around the role they play in resilience and emergency planning, as well as offering suggestions for how we can help support our Parish Councils with their own emergency plans. This came about following an earlier debate in one of our meetings, and demonstrates the importance of the committee's overview function, being able to understand the wider involvement of other agencies in our district and beyond, as well as being able to highlight potential improvements in how we engage with our partner organisations.
- 4.3 We have also welcomed representatives from Everyone Active, regarding leisure provision not just in Gainsborough but across the district. This has become an annual attendance and, with the work underway for a refresh of the leisure centre in Gainsborough, their attendance at our April meeting was a timely opportunity to hear of their progress.
- 4.4 At our first meeting in the new Civic Year, when we start to shape the work plan for the year, we will be continuing the focus on invitations to outside agencies, recognising the importance of increasingly close working relationships as LGR approaches.

5 Operating Methodology

- 5.1 Following the amendments which had been enacted after the 2023/24 review, this year again saw no changes being made to the Operating Methodology (Appendix 1).
- 5.2 In line with the established approach to review the Operating Methodology at the end of each civic year, for any proposed amendments to be considered in line with the Constitution Review and for approval by the O&S Committee at the start of the next civic year, the current Operating Methodology formed a part of the discussions at our meeting in April 2026. There were no suggested amendments arising from those discussions and the document will now proceed for agreement at the first meeting of the O&S Committee in the new Civic Year.

6 Look Forward to Next Year

- 6.1 As we move into this next year, in what is our final year of this term of office but may also prove to be the penultimate year of West Lindsey District Council, I feel strongly that it is essential for the committee to continue driving forward the functions of overview and scrutiny.

- 6.2 With a new Corporate Plan in place, as well as detailed delivery plans, the scrutiny of performance data will likely take on a different meaning for our committee. The option for the policy committees to refer performance reviews to the Overview and Scrutiny Committee will provide a clear route through, if or when there are concerns raised.
- 6.3 The engagement with partner agencies is going to prove key over the coming months, and by having clear oversight of the full Forward Plan, it is my intention for us to build a work plan which uses all tools available to us, including the pre-decision scrutiny which has worked well this year.

7 Concluding Remarks

- 7.1 I would like to reiterate my comments from earlier in this report and express my thanks to the Committee Members and Officers who have so enthusiastically supported me in my role as Chair of this Committee. A special thank you again goes to our previous Chairman.
- 7.2 As Chairman, and as a Committee, we look forward to the year ahead, and welcome the opportunities to continue our roles as scrutineers.

Overview and Scrutiny Operating Methodology

Functions covered within this document:

1. Performance management (for service areas presenting performance figures below target)
2. Pre-decision scrutiny (also known as pre-scrutiny and identified from the Forward Plan)
3. Ongoing project work (for example as requested or identified by a policy committee or Council)

1. Performance Management

The Committee can request a Service Performance Review (to identify reasons for off-track performance and ways to improve) when:

- The performance has been off track for at least two consecutive reporting periods
- Recommendations from the relevant committee have been implemented and allowed time to have an impact
- At least four committee Members wish to request the review

The following restrictions apply:

- A maximum of four such reviews can be requested in any municipal year
- Any service area subject to such a review is excluded from re-examination under any process for the subsequent six month period (ie, further two reporting periods)

Process for a Service Performance Review:

- The request is to be made in writing, signed by at least four committee Members, set out the reasons for the request and be submitted to the O&S Clerk at least 21 days prior to the next committee meeting.
- The request will be considered at the next meeting and, if agreed, terms of reference for the review group should be set.
- Alternatively, where a request for a Service Performance Review is identified during a Committee meeting, and is supported by at least four Members of Committee, this will replace the request in writing.
- The Chairman (or representative) of the relevant policy committee is to be invited to the meeting where the scope of the review is considered.
- The findings of the review will be heard by the O&S Committee and presented to the relevant policy committee, where the Chairman (or representative) of O&S shall also attend.
- If the policy committee does not wish to accept the recommendations of the review group, the decision shall be referred to Council.

2. Pre-Decision Scrutiny

The Committee can identify items for pre-decision scrutiny (also known as pre-scrutiny) from those detailed on the Forward Plan. These could be items which are politically sensitive or of high public interest and where the Committee considers it would be of benefit to scrutinise the proposed decisions in advance.

These items can be selected from the Forward Plan during meetings of the Committee by a proposer, seconder and majority vote.

The following restrictions apply:

- A maximum of four 'pre-scrutiny' items can be identified per municipal year.
- The Committee cannot dictate the timeline or prevent the decision being submitted to the relevant policy committee within the pre-agreed timescales.
- Any decision considered under pre-scrutiny cannot then be called-in under the traditional process.
- Any item considered under pre-scrutiny is excluded from re-examination under any process for the subsequent six month period.
- NB: The policy committee is not strictly bound by recommendations from O&S however it is expected that they should be given due consideration.

Process for Pre-Decision Scrutiny:

- The O&S Committee will receive the exact report due to be presented at the policy committee, at least 1 cycle prior to the policy meeting.
- The O&S Committee will make recommendations to the policy committee where it feels there are areas to be further addressed in order to support the proposed decision.
- The Officer responsible for the report will work with the Chairman / representatives of O&S to revise the report accordingly (when necessary).
- The amended report, along with the minute from the O&S meeting and the original report, will be submitted to the policy committee within the original timescale.

3. Ongoing Project Work

The O&S Committee can be requested by either of the policy committees, or Council, to conduct reviews of policy, services or any aspect of a service as identified by the relevant committee.

Any such request will be made to the Chairman of the O&S Committee from the Chairman (or representative) of the requesting committee / Council. The purpose, scope and terms of reference for the review will be agreed by the requesting committee and shared with the Chairman of O&S at the time of the request.

Such reviews will form part of the work plan for the O&S Committee, report timescales will be set out in the Forward Plan and recommendations will be agreed and shared with the referring committee.

Where the Committee chooses to conduct a review of policy or services that has not been referred by a policy committee, or does not fall under items 1 or 2 as detailed above, such reviews are limited to one review per civic year.

Updated Versions / Amendments to Operating Methodology*:

June 2019

May 2022

June 2023

*the Operating Methodology is reviewed annually by the Committee, however the above dates refer to amendments made.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted