

Council

Wednesday, 28th April, 2021, 6.00 pm

Accessible through Microsoft Teams and YouTube

Agenda

Important information regarding Covid-19

Unfortunately, due to the current situation surrounding COVID-19 we are unable to allow Members of the Public to speak at this meeting.

These measures are temporary and will be reviewed as circumstances and the current restrictions improve.

However, written representations are being received and can be read out at the meeting with a written response provided. If you would like to make representations on any of the items contained within this agenda, please email Democratic Services FAO Ruth Rimmington before 12 noon on Monday, 26 April 2021.

[The meeting will be streamed live to YouTube and can be accessed by clicking here](#)

In response to the current government guidance surrounding the COVID-19 pandemic, this meeting will be held in a hybrid fashion, with COVID-secure measures in place at the Civic Centre.

Members may take part either from the Civic Centre or remotely, but are requested to confirm how they wish to attend by emailing ruth.rimmington@southribble.gov.uk.

1 Apologies for absence

2 Declarations of Interest

Members are requested to indicate at this stage in the proceedings any items on the agenda in which they intend to declare an interest. Members are reminded that if the interest is a Disclosable Pecuniary Interest (as defined in the Members' Code of Conduct) they must leave the room for the whole of that item.

If the interest is not a Disclosable Pecuniary Interest, but is such that a member of the public could reasonably regard it as being so significant that it is likely that it would prejudice their judgment of the public interest (as explained in the Code of Conduct) then they may make representations, but then must leave the meeting for the remainder of the item.

3 Minutes of meeting Wednesday, 24 February 2021 of Council

(Pages 5 - 16)

4 Mayors Announcements

5 Cabinet

(Pages 17 - 22)

To receive and consider the report of the Cabinet held on Wednesday, 24 March.

6 Urgent Executive Decisions

(Pages 23 - 28)

To receive and consider the report of the Director of Governance and Monitoring Officer.

7 Governance Committee

(Pages 29 - 32)

To receive and consider the report of the Governance Committee held on Tuesday, 23 March.

8 Changes to the Council's Constitution

(Pages 33 - 80)

To receive and consider the report of the Director of Governance and Monitoring Officer.

9 Scrutiny Committee

(Pages 81 - 84)

To receive and consider the report of the Scrutiny Committee held on Thursday, 18 March, Scrutiny Budget and Performance Panel held on Monday, 22 March and associated Task Groups.

10 Questions to the Leader of the Council

11 Questions to Cabinet Members

Electronic agendas sent to Members of the Council

The minutes of this meeting will be available on the internet at www.southribble.gov.uk

Forthcoming Meetings

6.00 pm Wednesday, 19 May 2021 - Shield Room, Civic Centre, West Paddock, Leyland, PR25 1DH

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Minutes of Council

Meeting date **Wednesday, 24 February 2021**

Members present: Councillors Jane Bell (Mayor), David Howarth (Deputy Mayor), John Rainsbury, Carol Chisholm, Will Adams, Jacky Alty, Renee Blow, Damian Bretherton, Anielia Bylinski Gelder, Matt Campbell, Colin Clark, Colin Coulton, Malcolm Donoghue, Bill Evans, James Flannery, Derek Forrest, Paul Foster, Mary Green, Michael Green, Harry Hancock, Jon Hesketh, Mick Higgins, Cliff Hughes, Susan Jones, Chris Lomax, Jim Marsh, Keith Martin, Christine Melia, Caroline Moon, Jacqui Mort, Peter Mullineaux, Alan Ogilvie, Colin Sharples, David Shaw, Margaret Smith, Phil Smith, David Suthers, Stephen Thurlbourn, Michael Titherington, Caleb Tomlinson, Matthew Tomlinson, Matthew Trafford, Angela Turner, Karen Walton, Ian Watkinson, Gareth Watson, Paul Wharton-Hardman, Carol Wooldridge and Barrie Yates

Officers: Gary Hall (Chief Executive), Chris Moister (Director of Governance), Chris Sinnott (Deputy Chief Executive), James Thomson (Deputy Director of Finance) and Ruth Rimmington (Democratic Services Team Leader)

Other members: 0

Public: 0

88 Apologies for absence

None.

89 Minutes of meeting Wednesday, 27 January 2021 of Council

Resolved: (Unanimously)

That the minutes of the Council meeting held on Wednesday, 27 January 2021 be approved as a correct record.

90 Declarations of Interest

No declarations of interest were received.

91 Mayors Announcements

The Mayor gave an update on recent interviews she had undertaken and also on 'Story Time with the Mayor'.

92 Cabinet

Members received a general report of the Cabinet meeting held on Wednesday, 10 February 2021.

It was proposed by the Leader of the Council, Councillor Paul Foster, seconded by the Executive Member (Finance, Property and Assets), Councillor Matthew Tomlinson, and subsequently

Resolved: (Unanimously)

That the report be noted.

93 Scrutiny Committee

Members received a general report of the Scrutiny Committee meeting held on Monday, 8 February 2021.

It was proposed by the Chair of the Scrutiny Committee, Councillor David Howarth, seconded by the Vice-Chair Councillor Michael Green, and subsequently

Resolved: (Unanimously)

That the report be noted.

94 Changes to Committee Membership

It was proposed by the Leader of the Council, Councillor Paul Foster, seconded by the Executive Member (Finance, Property and Assets), Councillor Matthew Tomlinson, and subsequently

Resolved: (Unanimously) that

1. Councillor Carol Chisholm be appointed to the Conservative Group vacancy on the Appeals Committee
2. Councillor James Flannery to be the council's representative on the Lancashire Local Enterprise Partnership Joint Scrutiny Committee.

95 General Fund Revenue and Capital Budget and Council Tax 2021/22

The Mayor advised that one vote will cover the Budget, Council Tax setting and all other issues covered within the report and appendices.

The Executive Member (Finance, Property and Assets), Councillor Matthew Tomlinson, presented the Cabinet's General Fund Revenue and Capital Budget and Council Tax 2021/22.

Councillor Tomlinson thanked the Labour and Liberal Democratic Groups and officers for their hard work and input into the proposed budget. He thanked all the staff working for the council for their contributions in delivering services during the Covid-19 pandemic.

Councillor Tomlinson referred to the achievements of the council since the administration took control and the plans within the Corporate Strategy which will be delivered by the proposed budget, including a freeze on council tax in 2021/22.

There continues to be uncertainty regarding the council's funding streams with the government announcing a one-year financial settlement for 2021/22 rather than the expected multi-year settlement. There are also anticipated changes to the Business Rate Retention system and reforms to the New Homes Bonus.

Funding to the council is forecast to fall from over £14m in 2016/17 to £12m by 2023/24. However, the council is ambitious in its approach to meeting the budget deficit through generating efficiency savings, such as those already realised through shared services and additional income generated through investments within the borough.

14 priority projects are being proposed for delivery over the next 12-18 months that will directly support delivery of long-term outcomes. The proposed budget also includes additional investments including planned improvements to community facilities, support to businesses and young people during the recovery from Covid-19. The outcome of the Leyland Town Deal is awaited

The Corporate Strategy identifies key priorities as a council which are: -

Thriving communities

- £117,000 to create a network of community hubs, providing services & support that meet the needs of local neighbourhoods
- £60,000 to support vulnerable families and children by providing access to food during the school holidays over the next four years
- £50,000 to support access to advice services and information by working in partnership with the Citizens Advice Bureau

Looking ahead:

- £500,000 over the next two years to deliver a programme of improvements to community facilities to provide quality amenities for residents, encouraging positive mental and physical health as part of an active community
- £50,000 to support positive mental health for young people through officer resource to deliver a programme of early intervention activity

A fair local economy that works for everyone

- £150,000 to deliver an extended programme of support for businesses beyond government grants to ensure that the council is doing as much as possible to help businesses get back on their feet
- £150,000 to implement a plan to retain wealth and grow the local economy through a progressive procurement framework and social value policies

An exemplary council

- £20,000 to provide a fund for technology and equipment to support children to access remote learning where there is a need
- £150,000 to develop a Credit Union that will enable access to safe and ethical banking options for all residents
- £50,000 to support access to advice services and information by working in partnership with the Citizens Advice Bureau

Good homes, green spaces, healthy places

- £250,000 to support action on the green agenda including tree planting (in addition to A Tree for Every Resident), becoming a green employer by 2022 and car charging points as part of infrastructure improvements
- £50,000 to undertake work to plan for an Extra Care scheme that will
- provide high quality accommodation to meet the future needs our residents

Looking ahead:

£2m to deliver affordable housing units

£500,000 to deliver neighbourhood improvement projects including:

- Development of a nature reserve at Pickerings Farm
- Tidy up of community areas in Pope Lane area
- Improvements to Kingsfold Community Centre and playing fields
- More dog bins and relevant signage

Despite the budget savings identified there remain large forecast budget deficits of £1.229m in 2022/23 and £2.614m in 2023/24. To achieve the required reduction in net expenditure the council's strategy will be:

1. To make investments within the borough that provide benefits to residents and businesses whilst also generating income for the council.
2. To realise savings through the procurement of its contracts including joint contractual arrangements with Chorley Council.
3. To identify efficiencies through investment in infrastructure, ICT and through exploring alternative delivery models that will enable the council to balance the budget whilst seeking to minimise the impact on front line service users.

Councillor David Howarth, the Leader of the Liberal Democrats Group, commended the budget proposals and stated the Group's support.

Councillor Damian Bretherton advised that although the opposition supported some of the budget proposals, they did not support the investment strategy and made a number of alternative proposals, including a scheme to support 18 to 25-year old local entrepreneurs set up businesses in the borough.

An alternative housing scheme, to purchase and renovate homes, was outlined, and an alternative home-schooling initiative. A freeze car parking charges for three months after lockdown restrictions are relaxed was also proposed, additional schemes to promote the green agenda and a capital scheme relating to drainage work at Longton playing fields.

Councillor David Howarth noted that the proposals from the Conservative Group had not been presented for consideration at Scrutiny.

Several members spoke in favour of the proposed amendments, including Councillors Karen Walton, Barrie Yates, Michael Green and Paul Wharton-Hardman,

Members raised queries regarding the proposed amendments and noted that living walls are already being planted within the Borough.

Councillor Paul Foster responded to the amendments proposed and noted that the proposals within the substantive motion support all entrepreneurs and clarified points in relation to the building of new energy efficient homes within the Borough, the green agenda, the digital inclusion scheme and the proposals relating to car parking

charges. It was suggested that the scheme at new Longton be proposed as a project through the community hubs.

Councillor Margaret Smith, Leader of the Opposition, spoke in support of the proposed amendment, referencing affordable homes, digital inclusion and the green agenda. She also thanked council officers and all those who have contributed during the Covid-19 pandemic.

The amendment to the Motion was moved by Councillor Damian Bretherton, seconded by Councillor Margaret Smith to accept the proposed amendments as set out in the report at item 8o on the agenda

‘Revenue Expenditure

The Conservative Group propose that the £150k reserve set aside to support Community Wealth Building should be repurposed to create a reserve that will support 18 to 25-year old local entrepreneurs set up businesses in the borough. The Conservative Group propose that the additional £2m in the capital programme that is set aside to develop affordable homes be removed. In its place it is proposed that the £2m is used to purchase houses within the borough that are in disrepair and that are empty so that they can be renovated by the council and rented to tenants at a affordable rent. This will realise the ambition of the opposition to deliver better quality homes within the borough as well as an income stream to the council.

The Conservative Group supports the council’s £250k fund toward the green agenda and proposes this is spent on developing green initiatives within the borough such as

- living walls
- biodiversity projects
- air purifying plants

The Conservative Group proposes to increase the funding for the home-schooling initiative from £20k to £50k with the increase being funded through Covid-19 unringfenced grants.

The Conservative Group proposes to freeze car parking charges for 3 months after lockdown restrictions are relaxed. This is essential to supporting local businesses recover from, what has been for most, the most difficult trading environment they have ever experienced. Free parking would be subject to a 3 hour limit to stop all day parking. This is estimated to cost the council approximately £40k and can be funded through unringfenced Covid-19 funding.

Capital Expenditure

The Conservative Group proposes £100k of drainage work at Longton playing fields. It is proposed that where possible this is funded through external funding including s106 contributions. There is already currently £37k of s106 agreements that can be ringfenced towards this project.

The Conservative Group believes that the £75k funding for the local improvement scheme at New Longton should come first from council resources. Any further funding required for additional work should come from s106 funds’.

In accordance with Rule 16.5 in Part 4 of the Constitution, the voting on the Amended Motion was recorded and the Members of the Council present at the time, voted as follows:

For: Damian Bretherton, Matt Campbell, Carol Chisholm, Colin Clark, Colin Coulton, Mary Green, Michael Green, Jon Hesketh, Cliff Hughes, Jim Marsh, Caroline Moon, Jacqui Mort, Peter Mullineaux, Alan Ogilvie, John Rainsbury, Margaret Smith, Phil

Smith, David Suthers, Stephen Thurlbourn, Karen Walton, Gareth Watson, Barrie Yates.

Against: Will Adams, Jacky Alty, Jane Bell (Mayor), Renee Blow, Aniela Bylinski Gelder, Malcolm Donoghue, Bill Evans, James Flannery, Derek Forrest, Paul Foster, Harry Hancock, Mick Higgins, David Howarth (Deputy Mayor), Susan Jones, Chris Lomax, Keith Martin, Christine Melia, Colin Sharples, David Shaw, Michael Titherington, Caleb Tomlinson, Matthew Tomlinson, Matthew Trafford, Angela Turner, Ian Watkinson, Carol Wooldridge.

Abstain: Paul Wharton-Hardman.

The Mayor declared that the Amended Motion was lost by 18 votes for, 26 against and 1 abstention.

Councillor David Howarth referenced progress on the Penwortham plan, greater public participation and plans regarding leisure achieved with a spirit of co-operation.

Councillors Mick Titherington, Matthew Trafford, Aniela Bylinski Gelder, Bill Evans and Keith Martin spoke in support of the substantive motion highlighting support for families and businesses following the Covid-19 pandemic, the green agenda, community wealth building and the plans for the regeneration of Leyland with the Town Deal bid. Plans are also in place for regeneration at Penwortham.

Councillors Mary and Michael Green thanked Councillor Sue Jones for her work on the Moss Side play area scheme.

Councillor Alan Ogilvie queried the cumulative budget deficit and the risk appetite. James Thomson, Deputy Director of Finance and Section 151 Officer gave some technical advice that the 200k figure is per year and that the risk appetite information is a policy requirement.

Several members supported the substantive motion, specifically relating to the freezing of council tax.

Councillor Paul Foster highlighted the need to support communities and businesses affected by the Covid-19 pandemic and referenced the council tax freeze, investment proposals and the shared services agenda with Chorley Council. The ongoing development of communities are the focus. The support of the Liberal Democrat group in moving forwards in a positive way was highlighted.

The substantive motion proposed by the Executive Member (Finance, Property and Assets), Councillor Matthew Tomlinson, and seconded by the Leader of the Council, Councillor Paul Foster, was then put to the vote.

Following debate, in accordance with Rule 16.5 in Part 4 of the Constitution, the voting on the Substantive Motion was recorded and the Members of the Council present at the time voted as follows:

For: Will Adams, Jacky Alty, Jane Bell (Mayor), Renee Blow, Aniela Bylinski Gelder, Malcolm Donoghue, Bill Evans, James Flannery, Derek Forrest, Paul Foster, Harry Hancock, Mick Higgins, David Howarth (Deputy Mayor), Susan Jones, Chris Lomax, Keith Martin, Christine Melia, Colin Sharples, David Shaw, Michael Titherington,

Caleb Tomlinson, Matthew Tomlinson, Matthew Trafford, Angela Turner, Ian Watkinson, Paul Wharton-Hardman, Carol Wooldridge

Against: None.

Abstain: Damian Bretherton, Matt Campbell, Carol Chisholm, Colin Clark, Colin Coulton, Mary Green, Michael Green, Jon Hesketh, Cliff Hughes, Jim Marsh, Caroline Moon, Jacqui Mort, Peter Mullineaux, Alan Ogilvie, John Rainsbury, Margaret Smith, Phil Smith, David Suthers, Stephen Thurlbourn, Karen Walton, Gareth Watson, Barrie Yates.

The vote was carried by majority, and it was therefore

Resolved (27:0:22)

That the budget and proposals as set out in the report in item 8 General Fund Revenue and Capital Budget and Council Tax 2021/22 and supporting appendices be approved to include:

- a) Approve the budget and proposals set out in this report including:
 - Council Tax set out in the resolutions (at Appendix A)
- b) Note the Parish Precepts (Appendix B)
- c) Approve the council's Medium Term Financial Strategy (Appendix C)
- d) Note the council's forecast cumulative budget deficit & budget strategy 2021-22 to 2023-24 (Appendix D)
- e) Note significant budget movements from the 2020/21 Budget (at Appendix E)
- f) Note the general fund forecast assumptions (at Appendix F)
- g) Approve the capital programme for 2020/21 to 2023/24 (Appendices G1, G2 & G3)
- h) Approve the Capital Strategy (Appendix H)
- i) Approve the Treasury Management Strategy (Appendix I) and note the advice of the treasury management consultants (Appendix I1)
- j) Approve the council's Pay Policy (at Appendix J) and publication on the council's website from April 2021
- k) Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained within it as set out in the Statutory Report (Appendix K).
- l) Note the Budget Consultation 2021/22 Report (at Appendix L)
- m) Note the Assessing the Impact of Budget Proposals 2021/22 Report (at Appendix M)
- n) Approve the recommendations in the Fees and Charge report (at Appendix N)

FORMAL COUNCIL TAX RESOLUTION

Draft resolution on setting of the 2021/22 Council Tax for the Borough to be passed in approving the Cabiner's recommendations for the Council's Budget.

1. It be noted that on 31 January 2021 the Statutory Finance Officer calculated the Council Tax Base 2021/22
 - a) for the whole Council area as 36,219.4 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
 - b) for dwellings in those parts of its area to which a Parish precept relates (as in the attached Appendix B).
2. Calculate that the Council Tax requirement for the Council's own purposes for 2021/22 (excluding Parish precepts) is £8,085,619
3. That the following amounts be calculated for the year 2021/22 in accordance with Sections 31 to 36 of the Act:
 - a) £51,516,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
 - b) £42,952,503 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
 - c) £8,563,497 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
 - d) £236.43 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
 - e) £477,878 being the aggregate amount of all special items (Parish precepts) referred to in Section 34(1) of the Act (as in the attached Table 1).
 - f) £223.24 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
4. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.

5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2021/22 for each part of its area and for each of the categories of dwellings.

| |
|------------------------|
| VALUATION BANDS |
|------------------------|

SOUTH RIBBLE BOROUGH COUNCIL

| A | B | C | D | E | F | G | H |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 148.83 | 173.63 | 198.44 | 223.24 | 272.85 | 322.46 | 372.07 | 446.48 |

LANCASHIRE COUNTY COUNCIL

| A | B | C | D | E | F | G | H |
|--------|----------|----------|----------|----------|----------|----------|----------|
| 970.79 | 1,132.59 | 1,294.39 | 1,456.19 | 1,779.79 | 2,103.39 | 2,426.98 | 2,912.38 |

POLICE & CRIME COMMISSIONER FOR LANCASHIRE

| A | B | C | D | E | F | G | H |
|--------|--------|--------|--------|--------|--------|--------|--------|
| 150.97 | 176.13 | 201.29 | 226.45 | 276.77 | 327.09 | 377.42 | 452.90 |

LANCASHIRE COMBINED FIRE AUTHORITY

| A | B | C | D | E | F | G | H |
|-------|-------|-------|-------|-------|--------|--------|--------|
| 48.18 | 56.21 | 64.24 | 72.27 | 88.33 | 104.39 | 120.45 | 144.54 |

AGGREGATE OF COUNCIL TAX REQUIREMENTS

| A | B | C | D | E | F | G | H |
|----------|----------|----------|----------|----------|----------|----------|----------|
| 1,318.77 | 1,538.56 | 1,758.36 | 1,978.15 | 2,417.74 | 2,857.33 | 3,296.92 | 3,956.30 |

6. That the Statutory Finance Officer and his officers be authorised to take any action necessary to ensure collection and recovery of the Council Tax and Non-Domestic Rates.
7. South Ribble Borough Council's basic amount of Council Tax for 2021/22 is not excessive in accordance with principles approved under Section 522B Local Government Finance Act 1992.

EXPLANATION OF COUNCIL TAX SETTING RESOLUTION

RESOLUTION 1

(a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2021/22 we estimate that a £1.00 Council Tax at Band D would raise £38,219.40 in the borough.

(b) This shows the "base" figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Farington would raise £2,487.90.

RESOLUTION 2

This shows the Council's net spending for 2021/22 excluding the cost of Parish precepts.

RESOLUTION 3

(a) This is the grand total of money which the Council estimates it will spend on all services in 2021/22. It also includes the amount the Parish Councils need to run their services.

(b) This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes Central Government and business rates, car park charges, investment income, government grants in respect of benefits, etc.

(c) This is the difference between 2(a) and 2(b) and is in effect the Council's and Parishes net spending on services.

(d) The difference between 2(a) and 2(b) is the amount we need to charge Council Taxpayers. This is divided by the base in 1(a) to give the average Band D Council Tax for all Borough and Parish services.

(e) The total of all the amounts needed from Council Taxpayers by the Parish Councils in the area.

(f) This is the Band D Council Tax for South Ribble Borough Council's own services, i.e. excluding Parish Council spending.

RESOLUTION 4

Lancashire County Council, Lancashire Fire Authority and the Police & Crime Commissioner for Lancashire are separate bodies who have worked out their own estimates of spending and income for 2021/22 and have set taxes in a similar way to South Ribble Borough Council. This resolution notes their final decision.

RESOLUTION 5

This pulls together the Council Taxes for South Ribble Borough Council, Lancashire County Council, the Police & Crime Commissioner for Lancashire and Lancashire Fire Authority. For example, the aggregate amount for Band D is £1,987.15 made up as follows:

| | £ |
|------------------------------|----------|
| South Ribble Borough Council | 223.24 |
| Lancashire County Council | 1,456.19 |
| Lancashire Police Authority | 226.45 |
| Lancashire Fire Authority | 72.27 |

The rate for each property Band is calculated by reference to the Band D charge. The following ratios apply:

| | |
|--------|--------------------|
| Band A | 6/9 ths of Band D |
| Band B | 7/9 ths of Band D |
| Band C | 8/9 ths of Band D |
| Band D | 9/9 ths of Band D |
| Band E | 11/9 ths of Band D |
| Band F | 13/9 ths of Band D |
| Band G | 15/9 ths of Band D |
| Band H | 18/9 ths of Band D |

The aggregate charge for Band A, for example, is $£1,978.15 \times 6 \div 9 = £1,318.77$

RESOLUTION 6

Formally authorise the necessary staff to take legal action to collect arrears as and when this is necessary. For the vast majority of taxpayers, this is not needed

96 Questions to the Leader of the Council

No questions were received.

97 Questions to Members of the Cabinet**Questions for the Cabinet Member (Health and Wellbeing) - Councillor Mick Titherington**

No questions were received.

Questions for the Cabinet Member (Communities, Social Justice and Wealth Building) - Councillor Aniela Bylinski Gelder

No questions were received.

Questions for the Cabinet Member (Finance, Property and Assets) - Councillor Matthew Tomlinson

The Leader of the Council, Councillor Paul Foster, asked if the Cabinet Member was aware of the reason why the Conservative group had abstained on the substantive motion for the Council Tax item. In response, the Cabinet Member acknowledged the Conservative Group had not supported the proposals from the administration.

Councillor Alan Ogilvie asked if the signage within Worden Park could be reviewed in light of groups congregating. The Cabinet Member agreed to this request and noted that the Council are working with the Police on this issue.

Councillor Michael Green requested clarification regarding digital exclusion and whether Moss Side was included within the scheme. The Cabinet Member advised that there had been no criticism of Moss Side and that schools in the most deprived areas had been the focus of the scheme, but noted that schools are not ward specific.

The Leader of the Opposition, Councillor Margaret Smith noted that she was unable to support the budget proposals made by the administration.

Questions for the Cabinet Member (Planning, Business Support and Regeneration) - Councillor Bill Evans

No questions were received.

Chair

Date

Report of Cabinet

1. Any Cabinet recommendations on the reports that require a decision by full Council appear as separate items on the agenda.

General Report of the Cabinet for the meeting held on Wednesday 24 March 2021

Cabinet Forward Plan 1 March 2021 – 28 February 2022

2. When considering the statutory Cabinet Forward Plan which had been submitted for information, reference was made to the three Lead Members appointed at Council on 27 January 2021 – Lead Member for Youth and Mental Health Awareness; Lead Member for Social Equality and Justice; and Lead Member for Climate Change who would be supporting Cabinet Members in their work.
3. It was therefore agreed that the new Lead Members be invited to speak at Cabinet about their remit, make regular reports on their work and that this be incorporated in the Cabinet Forward Plan.

Quarter 3 (October - December) Performance Monitoring Report 2020-21

4. Cabinet considered a report of the Deputy Chief Executive which provided members with a position statement for the Corporate Strategy for Quarter 3 (October – December) 2020/21. Cabinet also gave consideration to the recommendations of the Scrutiny Budget and Performance Panel made at its meeting on 22 March 2021, as follows:

The Scrutiny Panel:

- 1) thanks the Leader and Shared Services Lead for attending and answering its questions;
 - 2) commends the council's performance at the end of Quarter 3;
 - 3) asks for consistency in the future use of the name and description of the Community Hubs;
 - 4) asks that further information be provided on the key performance information definition on the number of residents benefiting from opportunities created by the communities team;
 - 5) asks that the costs associated with refurbishing Penwortham Leisure Centre be provided to the Panel; and
 - 6) welcomes the commitment to review the methodology for collecting customer satisfaction data.
5. The Council's performance framework sets out the process for reporting progress against the objectives of the Corporate Strategy. Robust monitoring ensures that the Council continues to deliver its priorities and achieves the best outcomes for residents.
 6. Cabinet noted the report and accepted the recommendations of the Scrutiny Budget and Performance Panel made on 22 March 2021.

Community Hubs Update and Action Plans

7. The Cabinet considered a report of the Director of Communities giving details of the 2021/22 Community Hub Action Plans and Area Profiles. There was a substantial amount of data provided in the area profiles which could be used to inform the further development of action plans.
8. The Leader noted the lack of specific projects within the action plans relating to local issues identified by the data (e.g. fuel poverty in the Western Parishes) and referred to lack of community engagement (e.g. with parish and town councils).
9. In response to an enquiry as to how recently the data had been collected, the Director of Communities indicated that the data represented the latest available to the Council, however it may have been collected recently or several years ago depending on the source (e.g. previous census data). It was also reported that the data was to be reviewed over the next few weeks.
10. Other comments and points raised included:
 - the difficulties presented by the current pandemic, which may be reflected in the progress made by Community Hubs over the twelve month period;
 - The Cabinet Member (Communities, Social Justice and Wealth Building) providing progress updates to Cabinet on the work of Community Hubs.
11. Cabinet therefore made the following decisions:
 - 1) That the 2021/22 Community Hub Action Plans and Area Profiles be noted;
 - 2) That the Cabinet Member (Communities, Social Justice and Wealth Building) write to the Chairs and Vice Chairs of the Community Hubs regarding the need for specific projects in response to local issues and priorities identified for each area and to report back to the Cabinet at its next meeting on 16 June 2021; and
 - 3) That with regard to the data and intelligence collected for each area profile, where possible officers will baseline the report data to include when it was collected.

Refurbishment of Playground at Haig Avenue, Leyland

12. The Cabinet considered a report of the Director of Communities bringing the refurbishment project for the playground at Haig Avenue, Leyland before members and seeking permission to spend the allocated capital budget and award the contract to the Preferred Bidder identified by the procurement processes.
13. The current capital programme included a number of play areas identified for improvement. Haig Avenue Playground had funds allocated in this financial year and bids had been invited on a design and build basis.

14. A number of alternative options were considered. The option of doing nothing and leaving the site in the current condition was rejected as the site was now in need of refurbishment to provide quality facilities.
15. The option of providing teen/adult equipment over and above the ball court was rejected due to limitations on space and the proximity of surrounding houses.
16. Finally, the option of providing parking spaces for traffic associated with the school opposite Haig Green was considered having been requested by a number of residents during the consultation. The option was rejected due to a lack of space on site, insufficient budget, difficulties of forming a new access onto the highway, safety concerns for pedestrian and cyclists by increasing vehicle movements in and around the open space and potential negative air quality implications for the locality.
17. That Cabinet therefore gave approval to
 - 1) Spend the allocated £175,000 capital budget for the refurbishment of Haig Avenue Playground; and
 - 2) award the contract for the refurbishment of Haig Avenue Playground to Bidder 3 in Table 1 of the report.

Budget Monitoring 2020-21 Quarter 3

18. The Cabinet considered a report of the Deputy Director of Finance (Section 151 officer) explaining the Council's overall financial position for quarter 3 of the financial year.
19. The report outlined the impact Covid-19 has had on the budget in 2020/21 including the additional grant funding received and the management of the business grant schemes.
20. The total capital spend including commitments in 2020/21 was £5.380m, which is 62% of the current 2020/21 capital budget of £8.737m. Appendix C to the report provided the details for individual schemes and the revised forecasts, both for 2020/21 and the following 3 years.
21. The Cabinet also considered the recommendations of the Scrutiny Budget and Performance Panel made on 22 March 2021, as follows:

The Scrutiny Panel:

- 1) thanks the Cabinet Member and Deputy Director of Finance for attending and answering its questions;
 - 2) commends the inclusion of staff vacancy information within the report;
 - 3) welcomes the reassurance that the capacity and skills required for the future delivery of the capital programme is now in place; and
 - 4) asks that further information on the Community Infrastructure Levy (CIL) payments to parish/town councils over the last seven years be provided to Members.
22. In response to questions from members regarding outstanding vacancies e.g. Assistant Director of Housing and Property and apprentice posts, the Chief Executive indicated that the senior post was intentionally left vacant due to the implementation of Shared Services and the appointment of apprentices was put on hold by the pandemic, however this would be restarting shortly.

23. Cabinet made the decision to:

- 1) To note the contents of the report;
- 2) To accept the recommendations of the Scrutiny Budget and Performance Panel made on 22 March 2021; and
- 3) To approve the re-profiled budgets for the capital programme, which reflects forecasted underspend against the existing budgets, as detailed in Appendix C to the report.

Shared Services Events Team Review

24. The Leader of the Council presented a report outlining proposals to create a shared events team from 1 April 2021. The principle of creating a shared events team has already been agreed and the report brought forward a proposal to complete that action as part of the shared services phase one service reviews

25. The Leader gave assurances that the Council would support all schemes as required e.g. the Lostock Hall lights even if they were not specifically identified in the report.

26. The Cabinet agreed to:

- 1) To approve the proposed structure for the events team outlined in the report.
- 2) To approve the action plan included in Appendix 1 to the report.

Leisure Centres Booking / Direct Debit Collection System

27. The Cabinet Member (Communities, Social Justice and Wealth Building) presented a report requesting permission to procure a Booking System and payments for the Leisure Centres, and to procure a system to collect direct debits for membership.

28. The Cabinet agrees to waive procurement rules to allow the Council to enter into 2 separate contracts for 3 years as follows:

Contract 1 – Leisure management Software
Contract 2 – Direct Debit bureau and Contact Centre,

as detailed in the confidential report.

Decisions taken under the General Exception Procedure in accordance with Paragraph 17 of Part 4C of the Council's Constitution

29. Paragraph 19.2 of the Council Constitution states that “the Cabinet must prepare a report to the next available Council meeting setting out the details of any executive decision taken without giving 28 days’ notice under the procedure set out in Rule 17 (Key Decision – General Exception)”.

30. Please see below a list of executive key decisions, decisions which were exempt or confidential and decisions taken by the Cabinet in private for which it was impracticable to give 28 days’ notice on the Cabinet Forward Plan.

| Decision | Date and Decision Maker | Reasons for giving less than 28 days' notice on the Cabinet Forward Plan |
|--|--|--|
| <p>Worden Hall and McKenzie Arms - Procurement of Project Management and Quantity Surveying Support (contains exempt information)</p> | <p>21 January 2021 Cabinet Member (Finance, Property and Assets)</p> | <p>It was impracticable to give 28 days' notice of this decision on the Forward Plan due to the need to award the contract at the earliest opportunity to ensure both schemes are delivered on time and on budget to an acceptable standard.</p> <p>South Ribble Borough Council did not have the internal resource capacity to progress the design for each scheme and to prepare documentation to progress the key works packages such as the procurement of contractors to deliver the schemes and the ongoing contract administration. It was also critically important that cost was managed as the project progresses to ensure the budget was maintained. Given the key dates that needed to be achieved it did not allow sufficient time to deliver complete a competitive tender exercise for these activities.</p> |
| <p>Provision of a Loan and Grant to facilitate a works project to the Hoole Village Memorial Hall (Key decision)</p> | <p>29 January 2021 Cabinet</p> | <p>This key decision had not been published on the Forward Plan because the original intention was for this to be an Executive Member decision later in February. However, the Director of Governance and Monitoring Officer determined that the matter was more appropriate to go to Cabinet the next meeting of which was on 10 Feb.</p> |

| Decision | Date and Decision Maker | Reasons for giving less than 28 days' notice on the Cabinet Forward Plan |
|---|---|--|
| <p>OLEV, On-street Residential Chargepoint Scheme (ORCS) Grant Bid Application (key decision)</p> | <p>4 March 2021 Deputy Leader and Cabinet Member (Health and Wellbeing)</p> | <p>It was impracticable to give 28 days' notice on the Forward Plan, the reason being due to the time frame of submitting the funding bid. It could not wait until the next Cabinet 24 March and therefore needed to be taken as an Executive Member Decision.</p> |
| <p>National Leisure Recovery Fund (Key Decision and contains exempt information)</p> <p>That the figure specified in the report awarded to the Council to support Leisure Centres between December to March 2021 is paid across to the Trust in the form of a grant agreement.</p> | <p>5 March 2021 Cabinet Member (Finance, Property and Assets)</p> | <p>It was impracticable to give 28 days' notice of this key decision on the Forward Plan because this funding was released to urgently support the Leisure sector following the impact of Covid 19. It was to support providers for the period Dec 20-March 21 and the intention was for the funding to be paid over as soon as possible</p> |

Recommendation(s)

31. That Council note the report.

Councillor Paul Foster
Leader of the Council

CG

Agenda Item 6

| Report to | On |
|-----------|-------------------------|
| Council | Wednesday 28 April 2021 |



| Title | Portfolio Holder | Report of |
|----------------------------|--|---|
| Urgent Executive Decisions | Leader of the Council and Cabinet Member (Strategy and Reform) | Director of Governance and Monitoring Officer |

| | |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

Purpose of the Report

1. This report informs Council of a number of urgent decisions taken by the Executive (i.e. Cabinet or Individual Executive Members) over the last three months in accordance with urgency procedures outlined in the Council's Constitution.
2. These include 'key' decisions (as defined in the Cabinet Forward Plan), decisions which include confidential or exempt information (and therefore must be taken in private), and urgent decisions for which the Mayor agreed to waive scrutiny call-in in.

Recommendations

3. That the report be noted.

Reasons for recommendations

4. Paragraph 19.1 of Part 4C of the Council's Constitution states that "the Leader must submit a report to the next available Council meeting setting out the details of any executive decision taken as a matter of special urgency under the procedure set out in Rule 18 (Key Decision - Special Urgency)".

Other options considered and rejected

5. None, for the reasons given above.

Corporate outcomes

6. The report relates to the following corporate priorities: (tick all those applicable):

| | | | |
|----------------------|---|----------------------|--|
| An exemplary council | X | Thriving communities | |
|----------------------|---|----------------------|--|

| | | | |
|--|--|--|--|
| A fair local economy that works for everyone | | Good homes, green spaces, healthy places | |
|--|--|--|--|

Background to the report

7. On 25 November 2020, Council agreed to amend its Constitution to allow Individual Cabinet Members to take decisions delegated to them within their respective portfolios. In January 2021, a new procedure was implemented to allow these decisions to be published on the modern.gov system.
8. During that period, a number of urgent decisions were required in order for the Council to act arising from decisions previously taken by Cabinet and Council, such as the decision to bring leisure centres in-house and the Leyland Town Deal.

Details of Urgent Executive Decisions taken

9. Please see below a list of decisions taken in accordance with the urgency procedures outlined in the Council Constitution.
10. Key decisions *which must be taken with less than 5 days' notice on the Cabinet Forward Plan* fall under Council Procedure Rule 18 – Key Decision – Special Urgency in Part 4C of the Council's Constitution, which requires agreement from the Chair of the Scrutiny Committee regarding the reasons for the urgency (the same applies to decisions which contain exempt or confidential information).
11. If Cabinet wishes to take a decision in private meeting with less than 5 days' notice, it must obtain agreement of the Chair of the Scrutiny Committee, under paragraph 14.4. of the Access to Information Procedure Rules.
12. Any urgent report to be considered with less than 3 days' notice must be agreed by Mayor in accordance with paragraph 5.5 of the Access to Information Procedure Rules which states "In the circumstances set out in paras 5.3 and 5.4 the Council will always endeavour to publish reports at least three working days before the meeting. Lesser notice than this may only be given if the Mayor decides that there are highly exceptional circumstances".
13. Any urgent decision to waive scrutiny call-in must be agreed by the Mayor in accordance with paragraph 11.14 of Part 4F of the Constitution.

| Decision | Date and Decision Maker | Reasons for urgency |
|--|--|--|
| Fire Safety Compartmentation Works | 25.2.2021 Cabinet Member (Finance, Property and Assets) | To address compliance issues following a Fire Risk Assessment |
| Confirmation of South Ribble's Annual Housing Requirement Figure | 8.3.2021 Cabinet Member (Planning, Business Support and Regeneration) | A Planning Inquiry was taking place on 16 th March and the Council needed an up to date policy regarding the Annual Housing Requirement Figure in place |

| | | |
|--|---|---|
| | | from at least 15 th March for this purpose. |
| Acquisition of Land | 9.3.2021 Leader of the Council and Cabinet Member (Strategy and Reform) | The timescale linked to an upfront Town Deal grant of £750,000 received by the Council from the MCHLG. In line with the terms of the grant there was a need to demonstrate that the proposals linked to the spending of the grant received are underway before 31 March 2021. This represented a very short-term scale to deliver a large-scale land acquisition and hence an urgent decision was required in order that the Council is in a position to deliver the overall Town Investment Plan (TIP) in partnership with the Leyland Town Board. |
| ICT Service Review | 11.3.2021 Cabinet Member (Communities, Social Justice and Wealth Building) | The Council needed to commence its formal 28-day consultation with staff immediately with a view to implementing the new staff structure on 1 June. |
| Leisure Facilities Contracts for new In-house Leisure Facilities Service | 16.3.2021 Cabinet Member (Finance, Property and Assets) | Due to the timescales involved in transferring the Leisure Facilities management service back in-house it was necessary to take an urgent decision to join the purchasing framework to identify future utility providers for the Council's Leisure Centres going forward. |
| Leyland Town Deal - Heads of Terms | 23.3.2021 Leader of the Council and Cabinet Member (Strategy and Reform) | The Leyland Town Deal Advisory Board met 19 March 2021 and the document subsequently needed to be signed and sent by 24 March 2021. The Mayor agreed to waive call-in of this decision by reason of the need for the Heads of Terms to be signed by 24 March 2021. |

| | | |
|--|--|---|
| Expanded Retail & Nursery Discount 2021/22 | 24.3.2021 Cabinet Member (Finance, Property and Assets) | The policy was to take effect from the beginning of the financial year. It was as a result of the budget announcements and the delay in giving notice was that the details were still being finalised. |
| Leisure Centres Booking System | 24.3.2021 Cabinet – urgent report to be considered in the private part of the meeting | <p>In accordance with Part 4C of the Council's Constitution, the Mayor agreed under paragraph 5.5 that the following be considered as a matter of urgency, and the Chair of the Scrutiny Committee also agreed the urgent matter could be considered by the Cabinet in private session in accordance with paragraph 14.4.</p> <p>In accordance with paragraph 11.14 of Part 4F of the Council's Constitution, the Mayor agreed to waive the Scrutiny call-in procedure in respect of this decision for the reasons given below:</p> <p>The contract needed to be awarded in line with timescale for bringing the Leisure Centres back in house on 1 April 2021.</p> |
| Government Restart Grant Scheme | 19.4.2021 | To enable the Council to launch this scheme as soon as possible and get help to those who need it. The Government has asked the Council to deliver these grants and so it must comply – this decision is to formally confirm this and to seek delegations for officers to assess and make payments in line with the guidance and our own processes. |

Risk

14. There are no risk implications arising from this report.

Equality and diversity

15. There are no Equality Impact Assessment (EIA) and Equality Act implications arising from this report.

Air quality implications

16. There are no Air Quality implications arising from this report.

Comments of the Statutory Finance Officer

17. The relevant comments from the S151 Officer were included on the individual urgent decisions.

Comments of the Monitoring Officer

18. There are no issues of concern to report from a Monitoring officer perspective.

Background documents (or There are no background papers to this report)

Council Constitution

[Modern.gov link to decisions page](#)

Appendices

None

Darren Cranshaw, Shared Services Lead – Lead - Democratic, Scrutiny & Electoral Services

Chris Moister, Director of Governance and Monitoring Officer

| Report Author: | Email: | Telephone: | Date: |
|--|----------------------------------|------------------|-----------|
| Clare Gornall (Democratic and Member Services Officer) | clare.gornall@southribble.gov.uk | 01772 625 625 | 13.4.2021 |

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Report of the Governance Committee

1. Any Governance recommendations on the reports that require a decision by full Council appear as separate items on the agenda.
2. Please note the following report may not reflect the wording used in the minutes, as they have yet to be formally agreed.

General report of the meeting held on 23 March 2021

Annual Governance Statement – Progress Report

3. The Director of Governance and Monitoring Officer presented a report updating members on the progress of the Annual Governance Statement Action Plan.
4. The Annual Governance Statement for 2019/20 identified failings in the governance environment and the action plan proposed and adopted by members addressed the issues raised. It was important therefore that members of the Committee were aware of the progress of implementation to satisfy themselves that the issues were being resolved.
5. The Director of Governance and Monitoring Officer referred to the 3 outstanding actions in the report. He informed members that the actions at paragraphs 16 and 17 were now being progressed by the Service Lead for Audit and Risk and the action at paragraph 18 was to be presented to members at the meeting.
6. It was confirmed to the meeting that it was not intended to report on progress against the plan to the meeting again as the outstanding actions would be reported to members on resolution.
7. The Committee noted the progress and substantial completion of the action plan.

Internal Audit Plan 2021 - 2022

8. Shared Services Lead – Audit and Risk presented a report explaining the content of the Internal Audit work programme for the 2021- 2022 financial year which has been determined following a detailed risk assessment and consultation exercise.
9. The report proposed that the progress reporting be moved to three times per annum i.e. September, January and the full Annual Report May/June. (It was noted that for the year 2020-21, due to the impact of COVID on internal audit work in 2019-20, an interim report will be provided on the progress of key quarter 1 reviews at the May 2021 meeting).
10. Regarding the gap between the Committee approving its Annual Plan in March and receiving its first progress report in September, members of were assured that if any internal audit reviews were carried out during that time they would receive a copy of the report as soon as it was finalised so there would be no delay.
11. Arising from questions by a member, the following responses were provided:

- With regard to the planned audit in 2021-22 of Section 106 agreements, this is a risk based review and therefore will include the collection and spend of monies.
- Reference was made to the Internal Audit Team resources and the Internal Audit Plan 2021/22 which is based on 499 audit days. The internal audit team is now fully resourced with 4 full time staff members, and we will be buying in an additional 2 members and IT resource. It has been possible to buy in an additional 25 audit days.
- With regard to performance indicator targets, it is not always possible to achieve 100% management actions due to factors such as varying circumstances and changes to systems and processes. Therefore, the current target is 90%.

12. The Committee made the following decisions:

- 1) That the Committee approves the 2021 – 2022 – Internal Audit Plan and associated indicators.
- 2) That the Committee approves the Internal Audit Charter.

Key Contracts and Partnerships Framework – approach

13. The Transformation and Change Team Leader presented a report outlining a proposed approach for the development of the Key Contracts and Partnerships Framework and the next steps.

14. As part of the South Ribble Annual Governance Statement there is an action to develop a Key Contracts and Partnerships Framework. The recommended approach will ensure a fit for purpose, robust and streamlined framework to monitor and performance manage key contracts and partnerships

15. Arising from questions from members, the following responses were given:

- 1) A Register of Council Key Contracts is available and published in line with legislation
- 2) Agreement to include in the list of proposed key contracts and partnerships any movement of monies / expected receipt of monies arising from the City Deal Partnership e.g. CIL, New Homes Bonus
- 3) Some high value contracts (e.g. McKenzie Arms, Worden Hall) are not included. This is because the Framework is based on the range of considerations listed at paragraph 7 such as reliance on the proposed partner to deliver core services.

16. The Committee made the following decision:

That, subject to the inclusion of information specified at point 2) above, the approach for the development of the Key Contracts and Partnerships Framework and next steps be approved.

Risk Management Strategy

17. The Shared Services Lead – Audit and Risk presented a report concerning the Risk Management Strategy, which was last updated and presented to the Audit Committee in April 2018. The report indicated that the Strategy had now been reviewed and updated and demonstrated how the Council was seeking to ensure that the management of risk becomes embedded and at the centre of its' day to day work.

18. Arising from questions from members, the following responses were given:

- An online Member briefing session explaining the GRACE system will be arranged
- Councillor Bretherton made reference to a recent error in the Statement of Accounts concerning the level of risk for Employee Pension Fund investments, which had been marked 'high' when subsequently the auditor confirmed to him that the level of risk was reasonable. It was agreed that the Deputy Director of Finance and Section 151 officer would provide confirmation that the Statement of Accounts had been updated and Councillor Foster, the Council's representative on the Lancashire Pensions Fund Committee who was also in attendance at the meeting, confirmed that the Committee robustly monitors investments and that he would supply contact details for members to obtain further information about its work.
- Concern was expressed with regard to the clarity of the definitions of risk in the Strategy, however it was agreed to roll out the Strategy, receive feedback and review as appropriate.
- It was confirmed that the 'red risks' identified for 3 monthly review in the GRACE system would actually be monitored on an ongoing basis. GRACE would generate an additional alert to review the risk after 3 months.
- A Corporate Governance Group had been established which will meet regularly to monitor risk management.

19. The Committee agreed that the updated Risk Management Strategy be approved.

Local Code of Corporate Governance Update

20. The Director of Governance and Monitoring Officer presented a report informing members of updates to the Local Code of Corporate Governance and seeking approval of the proposed amendments.
21. The Council's Local Code of Corporate Governance required updating to reflect changes to Council documents and organisation structure. The amended document incorporates these changes and ensures that the Local Code remains relevant and a clear and correct statement of our governance framework.
22. The Committee agreed that the Local Code of Corporate Governance, attached at Appendix A to the report, be approved.

Councillor Ian Watkinson
Chair of the Governance Committee

CG

Agenda Item 8

| Report to | On |
|-----------|--------------------------|
| Council | Wednesday, 28 April 2021 |



| Title | Committee Chair | Report of |
|---------------------------------------|--------------------------|---|
| Changes to the Council's Constitution | Councillor Ian Watkinson | Director of Governance and Monitoring Officer |

| | |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

Purpose of the Report

1. To seek approval for changes to the financial regulations and terms of reference of the Governance Committee in the Council's constitution.

Recommendations

2. That the proposed changes to the financial regulations and terms of reference of the Governance Committee in the Council's constitution as outlined in the report be approved.

Reasons for recommendations

3. To ensure the Council's constitution remains up to date and fit for purpose.

Corporate outcomes

4. The report relates to the following corporate priorities: (tick all those applicable):

| | | | |
|--|-------------------------------------|--|--|
| An exemplary council | <input checked="" type="checkbox"/> | Thriving communities | |
| A fair local economy that works for everyone | <input type="checkbox"/> | Good homes, green spaces, healthy places | |

Background to the report

5. The Governance Committee has a key role in taking an overview of the Council's constitution to ensure it is current and fit for purpose.

Financial Regulations

6. At the Governance Committee on 23 March 2021 the meeting considered a report reviewing the financial regulations within the Council's constitution.

7. A copy of the report and proposed changes considered at the meeting is included at Appendix 1.
8. The proposed changes were agreed by the Governance Committee for approval by Full Council (minute 88 refers).

Governance Committee Terms of Reference

9. The Governance Committee on 23 March 2021 also considered proposed changes to the Governance Committee's terms of reference.
10. A copy of the proposed changes considered at the meeting is included at Appendix 2.
11. The proposed changes were agreed by the Governance Committee for approval by Full Council (minute 85 refers).

Equality and diversity

12. No implications.

Air quality implications

13. No implications.

Comments of the Statutory Finance Officer

14. Please see the comments included at Appendix 1 – Proposed Changes to Financial Regulations.

Comments of the Monitoring Officer

15. This report ensures that the Council's constitution is up to date and fit for purpose. It is therefore in furtherance of the Council's duty contained in Section 9P of the Local Government Act 2000 to keep up to date its Constitution.

Background documents

There are no background documents to this report.

Appendices

Appendix 1 – Proposed changes to Financial Regulations
Appendix 2 – Proposed changes to terms of reference of the Governance Committee

Chris Moister
Director of Governance and Monitoring Officer

| Report Author: | Email: | Telephone: | Date: |
|--|------------------------------|-----------------|----------|
| Darren Cranshaw (Shared Services Lead - Democratic, Scrutiny & Electoral Services) | dcranshaw@southribble.gov.uk | 01772 625512 | 19/04/21 |

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Appendix 1



| REPORT TO | ON |
|----------------------|------------------------|
| Governance Committee | Tuesday, 23 March 2021 |

| TITLE | REPORT OF |
|--|--|
| Proposed Updated Financial Regulations & Financial Procedure Rules | Deputy Director of Finance (Section 151 Officer) |

| | |
|------------------------------|----|
| Is this report confidential? | No |
|------------------------------|----|

Purpose of the Report

1. This report reviews and updates the financial regulations and financial procedure rules which form part of the Council's Constitution

Recommendations

2. Committee notes the proposed changes to the financial procedure rules and recommends their adoption.

Reasons for the Recommendations

3. As part of the Annual Governance Statement Action Plan there was a requirement to review the financial procedures within the Council's constitution. This report describes the review of the financial procedure rules, the proposed changes and the proposed financial procedure rules documents.

Other options considered and rejected

4. None

Corporate Outcomes

5. The report relates to the following corporate priorities:

| | | | |
|--|---|--|--|
| An exemplary council | ✓ | Thriving communities | |
| A fair local economy that works for everyone | | Good homes, green spaces, healthy places | |

Background to the report

6. As part of the Annual Governance Statement Action Plan there was a requirement to review the financial procedures within the Council's constitution.

Findings of the Review

7. The main outcomes of the review were as follows:

- That the current financial regulations and financial procedures are sufficient to provide officers and members with the necessary powers and oversight to manage the administration of the council's budget and other finance related activities.
- This includes the processes for applying for external funding, it is clear within the financial procedure rules what is expected from officers.
- However, some amendments and updates are proposed and are outlined in the remainder of this report and in Appendix A. As well as updating the financial procedures, these amendments will also align Chorley and South Ribble Council's financial procedure rules. This is crucial as both councils share senior budget holder responsibilities with further shared services likely in the future.
- That the finance team will provide training to all current and new budget managers to ensure the key elements of the financial procedure rules are understood and adhered to.

Key Proposed Changes to the Financial Procedure Rules

8. The review outlines some key changes to the Financial Procedure Rules that are listed below:

- Section 1.3 regarding relevant job titles has been moved to a more relevant position at the start of the report. Job titles have been updated throughout the report.
- Section 2.4 on estimates of income and expenditure has been amended to incorporate the annual production of a budget book.
- Sections 2.11 regarding the scheme of virements makes changes to the level at which budget movements can be authorised. The main changes being:
 - Allowing an authorised budget movement (but not a budget increase) of up to £50k to be made by the Chief Executive, Director of Finance and relevant Chief Officer (Director) – previously the limit was up to £10k without member approval
 - Executive members can sign off budget movements up to £100k rather than £75k, anything at or above £100k must be authorised by Full Council. This will align the council's financial regulations with the key decision approval threshold administered through Full Council.
- Section 3.4 on capital expenditure has been brought in line with the changes to virement approvals outlined above. Note that this requires a report to Council for every scheme with requests for new or increased budgets over £100k. For any changes below £100k approval is via powers delegated to the relevant Chief Officer, with approval from the Head of Paid Service and Chief Finance Officer, and relevant Executive Member with financial appraisal requirements.
- Sections 3.14 to 3.20 regarding capital expenditure have also been brought in line with Sections 2.11 and 3.4 noted above.

9. Any breach of these Financial Regulations, unless they are made under the powers of urgent decisions outside of the budgetary framework, must be brought to the attention of the Chief Finance Officer and the Monitoring Officer, who may decide that disciplinary action should be brought against the individual(s) breaching the regulations.

Next Steps

10. If approved, the changes to the financial procedure rules will be proposed to Full Council for approval.
11. The council is undergoing changes to its induction and training procedures with training increasingly being brought online via the learning management system. The finance team will create a number of videos that will highlight the key areas of compliance for budget managers with regards to the financial procedure rules. This training will be made mandatory for all budget managers and as part of any new budget manager's induction.
12. The finance service continues to provide training for all staff responsible for requisitioning purchase orders and approving invoices. However, online video tutorials will also be uploaded to the learning management system to facilitate staff compliance with procurement and financial procedure rules.

Risk

13. The delivery of these actions, including training, will enable the council to manage any risks of non-compliance with the financial regulations.

Comments of the Statutory Finance Officer

14. The report outlines a number of changes to the financial procedure rules however none fundamentally change the responsibility for proper financial management. The report states that new training will be delivered to update existing and new budget holders as to their responsibility to the council's financial procedures.

Comments of the Monitoring Officer

15. The changes outlined in the report and in appendix A are in response to the Council's review of its constitution as outlined in the Annual Governance Statement.

James Thomson
Deputy Director of Finance (s151 Officer)

| Report Author: | Email: | Telephone: | Date: |
|----------------|-----------------------------|-----------------|-------|
| James Thomson | jthomson@southribble.gov.uk | 01257 515052 | |

4G FINANCIAL REGULATIONS

| | |
|--|----|
| General | 2 |
| Revenue Expenditure | 4 |
| Capital Expenditure | 6 |
| Grants to External Organisations | 8 |
| External Funding | 8 |
| Treasury Management - Investments, borrowings and trust funds | 9 |
| Banking Arrangements | 10 |
| Income | 10 |
| Income - Write-offs | 11 |
| Petty Cash Imprests | 11 |
| Salaries | 11 |
| Travelling, Subsistence and Members' Expenses | 12 |
| Inventories and Stores Records | 12 |
| Insurance | 13 |
| Security | 14 |
| Irregularities | 14 |
| Internal Audit | 14 |
| Contracts and Purchasing | 15 |
| Orders for Work, Goods and Services | 16 |
| Payment of accounts | 16 |

FINANCIAL REGULATION NO. 1

General

Part 1 - Statutory Framework

- 1.1. The Chief Finance Officer is the officer charged with responsibility for the proper administration of the financial affairs of the council in accordance with Section 151 of the Local Government Act 1972.
- 1.2. In accordance with Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer has the duty, after first consulting with the Council's Monitoring Officer, to report to all members of the Council and the external auditor if it appears that:-
- a) the authority, a committee or officer of the authority, or a Joint Committee on which the authority is represented:-
 - i) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful
 - ii) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
 - iii) is about to enter an item of account, the entry of which would be unlawful
 - b) the expenditure of the authority incurred (including 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.
- 1.3. The Chief Finance Officer is the responsible financial officer in accordance with the Accounts and Audit Regulations. For the purpose of these regulations the following specific titles apply to South Ribble Borough Council:

| Regulatory Title | South Ribble equivalent |
|-------------------------|---|
| Executive | Cabinet |
| Head of Paid Service | Chief Executive |
| Monitoring Officer | Director of Governance (or an authorised representative) |
| Chief Finance Officer | Director of Finance (or an authorised representative) |
| Chief Officers | Leadership Team (or an authorised representative) |

Part 2 - Financial Administration

- 1.4. The Chief Finance Officer administers the shared financial services on behalf of both South Ribble and Chorley Councils, as set out in the Shared Services Joint Agreement. The Deputy Director of Finance is also the deputy Section 151 officer for both the Councils.
- 1.5. The Financial Regulations exist to regulate the council's financial affairs, to provide a framework for proper financial management and to maintain an acceptable standard of financial administration for the council. Whilst specific in terms, these Regulations are intended to operate with proper consultations with relevant officers, especially where other professions and skills are required to give effect to them in relation to procedures and professional practice to be observed.
- 1.6. The Financial Regulations should be read in conjunction with the council's Standing Orders and Contract Procedure Rules, particularly in relation to ordering of goods and services and letting of contracts.
- 1.7. All accounts and prime financial records are to be kept in a form acceptable to, and shall be compiled by, or under the direction of, the Chief Finance Officer. They shall be retained in accordance with legislative and other requirements for audit and inspection purposes. All new accounting procedures and systems and amendments to existing procedures and systems shall only be implemented with the explicit approval of the Chief Finance Officer.
- 1.8. All employees must provide the Chief Finance Officer with any information requested concerning the financial operations of the Council and allow access at any time to the documents and records under their control.
- 1.9. The Chief Finance Officer is responsible for ensuring the provision of advice to the Council, Executive, committees/sub-committees and council employees on all aspects of Local Government Finance and the financial implications of the Council's policies and objectives.
- 1.10. The Chief Finance Officer shall be informed by the responsible officer of any matters which have significant financial implications for the Council before a report is submitted to the Council, Executive, committees/sub-committees. The Chief Finance Officer must be given adequate time to consider the matter before despatch of the agenda item.
- 1.11. Responsibility for maintaining financial control and ensuring that expenditure is incurred and income is raised in accordance with the council's policies rests with individual Chief Officers.
- 1.12. Any expenditure incurred as a result of the My Neighbourhood Community Hubs plans is subject to the requirements of these financial regulations.
- 1.13. The Council's Chief Officers must ensure that these Financial Regulations are observed throughout the authority.
- 1.15. Any breach of these Financial Regulations, unless they are made under the powers of urgent decisions outside of the budgetary framework, must be brought to the attention of the Chief Finance Officer and the Monitoring Officer, who may decide that disciplinary action should be brought against the individual(s) breaching the regulations.
- 1.16. The Chief Finance Officer may issue any instruction intended to secure proper financial administration, and this is to be effected by the responsible officer.

FINANCIAL REGULATION NO. 2

Revenue Expenditure

- 2.1 The Chief Finance Officer shall be responsible for co-ordinating the preparation of the Council's revenue estimates. Estimates of income and expenditure shall be prepared jointly by the Chief Finance Officer and Head of Paid Service for submission to the Executive, for such periods and at such times as it may determine ensuring that any proposed expenditure is appropriate to the aims, policies and objectives of the council.
- 2.2 Revenue expenditure is defined as day-to-day operational expenditure that will generally be spent in the next twelve months; e.g., purchases of equipment, salaries, materials, maintenance and repairs.
- 2.3 In association with the preparation of the annual revenue budget, Chief Officers should review the fees and charges levied for council services and make appropriate recommendations to the appropriate Executive member for approval by delegated decision. All fees and charges must be reviewed at least annually in line with the Fees and Charges strategy.
- 2.4 Estimates of income and expenditure as approved by the Executive shall be consolidated into a comprehensive report by the Chief Finance Officer for submission to the council. Once approved these shall be published annually in the form of a budget book.
- 2.5 Chief Officers shall be responsible for ensuring that the amount provided in any estimate approved by the Council shall not in whole or in part be used for any purpose other than that for which it is authorised, subject to the approved virement limits outlined below.
- 2.6 Chief Officers shall have the power to incur revenue expenditure to the limit of their budget allocation, subject to the Council's Financial and Contract Procedure Rules and Scheme of Delegation without further approval, except for:-
 - (a) any revenue expenditure which involves a variation from the Council's approved Policy Framework which must be approved by Council.
 - (b) any expenditure which would leave the Council with future commitments for which funding has not been identified. This would require Executive approval; and
 - (c) any expenditure which would trigger a key decision as defined by the Constitution (unless previously delegated to the Chief Officer).

Scheme of Virements

- 2.7 The scheme of virement is intended to enable the Executive, Chief Officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full council, and therefore to optimise the use of resources.
- 2.8 Key controls for the scheme of virement are:
 - (a) it is administered by the Chief Finance Officer within the guidelines below. Any variation from this scheme requires the approval of the Full Council.
 - (b) the overall budget is agreed by the executive and approved by the Full Council. Chief officers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure.
 - (c) virement does not create additional overall budget liability. Chief Officers are expected to exercise their discretion in managing their budgets responsibly and prudently.

- (d) any virement affecting an employee budgets can only proceed with the authorisation of the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

- 2.9 To ensure the virement authorisation limits are understood and adhered to across the whole organisation
- 2.10 Any budget virements from or to staffing budgets must require joint approval by the Head of Paid Service, Chief Finance Officer and relevant Chief Officer(s).
- 2.11 Virements between revenue budget heads shall be authorised as follows:
- (a) up to £10,000 by Directors or Service Heads following the completion of a virement request form, checked by the Chief Finance Officer or his/her authorised representative;
 - (b) Any budget virements between £10,000 and £50,000 require joint approval by the Head of Paid Service, Chief Finance Officer and Chief Officer(s).
 - (c) Any budget virements between £50,000 and £100,000 require joint approval by the Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s).
 - (d) The Executive may authorise budget virements up to £100,000
 - (e) Any budget virements greater than £100,000 require the approval of the Full Council in line with the Council's policy regarding key decisions.
- 2.12 Virements from employee budgets towards recurring non-pay expenditure will only be permitted in exceptional circumstances and can only proceed with the prior approval of the Chief Finance Officer.
- 2.13 The prior approval of the executive is required for any virement, of whatever amount, where it is proposed to:
- vire between budgets of different accountable executive members
 - vire between budgets managed by different Chief Officers.
- 2.14 Virement that is likely to impact on the level of service activity of another Chief Officer should be implemented only after agreement with the relevant Chief Officer.

Funded Budget Increase

- 2.15 Revenue budget increases supported by new or increased external funding shall be authorised in line with virement scheme outlined above.
- 2.16 At the end of the financial year, the Chief Finance Officer has discretion to reflect the rephasing of an approved revenue budget in future revenue budgets.
- 2.17 Chief Officers shall be responsible for ensuring that any proposed item of expenditure not included in the approved estimates or any likely overspending or reduction of estimated income which cannot be funded shall not be incurred without the prior consent of the council after considering the advice of the Executive. This shall form the subject of a request for a supplementary estimate.

- 2.18 No expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or extension of existing policy without the prior approval of the council following a report from the Executive.

FINANCIAL REGULATION NO. 3

Capital Expenditure

- 3.1 The Chief Finance Officer shall be responsible for co-ordinating the preparation of the council's capital programme. This shall comprise individual schemes and forms part of the Council's Budget and Policy Framework. The Chief Finance Officer shall submit the programme to the Executive annually for approval and at appropriate intervals as necessary in the year.
- 3.2 Programmes of capital expenditure as approved by the Executive shall be consolidated into a comprehensive report by the Chief Finance Officer for submission to Council.
- 3.3 The Capital Programme will generally contain expenditure on the acquisition of fixed assets or expenditure which adds to rather than maintains the value of fixed assets. In cases of doubt the Chief Finance Officer will determine whether a scheme will be treated as capital or revenue expenditure.
- 3.4 The programme of capital expenditure shall not automatically constitute the authority for incurring expenditure. Upon the approval by the Council of the Capital Programme, the relevant Chief Officer shall prepare a financial appraisal of each scheme over £100,000 in the Programme(s) for approval of expenditure by the Executive. Schemes up to £100,000 in value can be dealt with through the delegated powers procedure which includes the preparation of a financial appraisal by the relevant Chief Officer.

The financial appraisal shall include as a minimum:

- (a) a cost breakdown including maintenance costs and, if available, a spending profile of the scheme;
 - (b) an appraisal of the funding options/costs of financing the scheme;
 - (c) the future revenue costs and revenue budget implications;
 - (d) a risk assessment;
 - (e) an assessment of alternatives;
 - (f) if available, details of procurement path and delegations required (if any);
 - (g) details of objectives, outputs and outcomes;
 - (h) relevant drawings and plans;
- 3.5 Procedures for the creation of contracts are set out in the council's Standing Orders and contract procedure rules.
- 3.6 Projects are to be delivered in line with the corporate project management procedures.
- 3.7 The relevant Chief Officer shall be responsible for ensuring that an amount provided in any capital estimate approved by the Council shall not be used in whole or in part for any purpose other than that for which it is authorised.

Capital Monitoring and Reporting Requirements

- 3.8 Chief Officers are required to ensure that throughout the implementation period of a capital scheme, the specification remains consistent with the original overall objectives of the scheme and that expenditure continues to deliver best value for money for the Council.

- 3.9 Chief Officers must monitor and report capital expenditure and income for all schemes within the approved capital programme and identify any variations against the approved level of expenditure. Monitoring and reporting will be undertaken at intervals specified by the Chief Finance Officer.
- 3.10 Chief Officers must ensure that external funding has been secured for each scheme (if applicable). Reimbursements from third parties should be claimed promptly as expenditure is incurred and wherever possible in advance of expenditure being incurred so that cash flow costs are minimised.
- 3.11 Chief Officers are required to use the Council's financial information systems to maintain records of actual and committed expenditure, income for each capital scheme and records of the approved budget allocations.
- 3.12 Chief Officers must ensure that all information on the Council's financial system is accurate and up to date and is fully reconciled to any supporting records.

Capital Programme – Rephasing

- 3.13 If it becomes necessary to rephrase approved expenditure within a current or future year's Capital Programme, then the Chief Finance Officer may undertake such rephasing and report it to the Executive Member for Finance and Resources. The impact of any rephasing will be included in quarterly budget monitoring reports.

Capital Programme - Scheme Overspends

- 3.14 The Chief Finance Officer will monitor any forecast under or overspends on capital schemes during each financial year and include their impact in any monitoring reports on the basis of information provided by Chief Officers.
- 3.15 The Chief Finance Officer, Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s). may approve increased costs on an individual scheme to a maximum of £100,000 provided that it is funded by a virement of resources from another scheme in the Capital Programme or new external funding, through the Council's scheme of delegation.
- 3.16 Any increases to the capital programme in excess of £100,000 require the approval of Full Council in line with the Council's policy regarding key decisions
- 3.17 If it is unclear during the progress of a scheme as to its final outturn cost or the impact on the Capital Programme, the Chief Finance Officer will advise the Chief Officer as to the need and timing for a budget increase. In exercising this judgment, the Chief Finance Officer is authorised to consider the probability, size, and nature of the potential overspend and its impact on the capital programme.

New Capital Schemes

- 3.18 The Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s) may approve a new capital scheme to a maximum of £100,000, provided that it is funded by a virement of resources from another scheme in the Capital Programme or new external funding.
- 3.19 Approval above £100,000 for a new scheme must be made by Full Council.
- 3.20 Requests for approval to Council must be supported by a report including, as a minimum, the information requested in Paragraph 3.4.

FINANCIAL REGULATION No. 4

Grants to External Organisations

- 4.1 It is the responsibility of all Chief Officers to ensure that organisations in receipt of grant aid (either from the Council's own funds or through external funding) have (as a minimum):-
- (a) satisfactorily demonstrated that they are a competent and suitable organisation to receive public money; and
 - (b) ensure appropriate management and accountability procedures are in place to achieve their aims and objectives; and
 - (c) ensure that financial propriety is observed.
- 4.2 Where a grant is approved, there must be written confirmation of the grant offer and where appropriate a formal grant agreement before any payment is made. The offer letter/agreement should include:-
- details of the amount of grant approved;
 - the purpose and duration of the grant;
 - the arrangements for payment; and also, where appropriate;
 - the monitoring and evaluation arrangements; and
 - the circumstances when grant funding may be terminated.
- 4.3 Any grant offers (as a minimum) must require the recipient to keep appropriate records and ensure these are available for Council inspection and further the clause must require the organisation to demonstrate that the grant has been used for the agreed purpose.
- 4.4 All Chief Officers must ensure that the terms and conditions for any grants awarded are monitored for compliance.

FINANCIAL REGULATION No. 5

External Funding

- 5.1 All Chief Officers are required to ensure that the Chief Finance Officer is informed of all funding bids and subsequent grant offers.
- 5.2 Chief Officers are required to ensure that the acceptance of grant offers (i.e. terms and conditions) is approved by a representative of the Council's legal services and by the Chief Finance Officer or Deputy Chief Finance Officer.
- 5.3 Chief Officers and the Chief Finance Officer must consult internal audit services for advice when grant conditions are deemed complex, for example where delivery of grant conditions requires cooperation across different directorates, services or involves third party organisations.
- 5.4 Chief Officers are required to ensure that for any project where external grant funding has been accepted, the project(s) progresses in accordance with the bid and there is compliance with the Council's standing orders and contract procedure rules and financial regulations. Chief Officers are also responsible for ensuring compliance with the terms and conditions of the grant.
- 5.5 Chief Officers are responsible for ensuring the timely submission of any grant claims to recover money due to the Council.

FINANCIAL REGULATION NO. 6

Treasury Management - Investments, borrowings and trust funds

- 6.1 Treasury Management is defined as the management of the Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of the associated risks and pursuit of the optimum performance consistent with those risks.
- 6.2 The council adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) publication *Treasury Management in the Public Services: Code of Practice (the Code)*, as described in Section 5 of that Code. Accordingly the council will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, which sets out the policies objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this council. Such amendments will not result in the Council materially deviating from the Code's key principles.

- 6.3 The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the financial year, a mid-year review and an annual report after its close, in the form prescribed in the TMPs.
- 6.4 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive, 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, if they are a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
- 6.5 This Council nominates the Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 6.6 All investments of money under its control shall be made in the name of the council or in the name of nominees approved by the Executive.
- 6.7 All property title deeds and any associated documentation shall be held in the custody of the Council's Monitoring Officer.
- 6.8 All borrowings shall be affected in the name of the Council.
- 6.9 The Chief Finance Officer shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- 6.10 All trust funds shall wherever possible be in the name of the Council.
- 6.11 All officers acting as trustees by virtue of their official position shall deposit all securities, etc., relating to the trust with the Chief Finance Officer unless the deed otherwise provides.

FINANCIAL REGULATION NO. 7

Banking Arrangements

- 7.1 All banking arrangements shall be made by, or be approved by, the Chief Finance Officer, who shall be authorised to operate such bank accounts as he may consider necessary for the making of payments on behalf of the council and for the deposit of monies receivable by the council.
- 7.2 All cheques and other orders for payment shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.
- 7.3 Cheques drawn on the council's main bank accounts, shall bear the facsimile signature of the Chief Finance Officer, or be signed by them or other authorised officer in accordance with the council's bank mandate.
- 7.4 Authorisations for the direct debiting of the council's bank accounts shall be given only under the personal signature of the Chief Finance Officer or other authorised officer, and only under arrangements authorised by, the Chief Finance Officer or his authorised representative, who shall also satisfy themselves as to the arrangements for their control and recording in the Council's accounts.

FINANCIAL REGULATION NO. 8

Income

- 8.1 Arrangements for the safe and efficient collection/receipt of, and accounting for, all monies due to the council shall be under the supervision of or in accordance with arrangements approved by the Chief Finance Officer. All receipts shall be paid into the council's bank account by or under the direction of the Chief Finance Officer.
- 8.2 Each Chief Officer shall provide the Chief Finance Officer with all necessary information concerning work done, goods supplied or services rendered and of all other amounts due to enable the correct recording of all sums due to the council and to ensure the prompt raising of accounts for the recovery of income due.
- 8.3 The Chief Finance Officer shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the council and the Chief Finance Officer shall have the right to inspect any documents or other evidence in this connection as deemed necessary.
- 8.4 All receipt books, paying-in books and other such controlled stationery shall be ordered and supplied to services by, or under arrangements authorised by, the Chief Finance Officer or their authorised representative, who shall also satisfy himself as to the arrangements for their control.
- 8.5 All money received by an officer of the Council shall without delay be paid into the Council's bank account in the form in which they are received and in accordance with instructions issued by and at intervals agreed with the Chief Finance Officer. No deduction may be made from such money save to the extent that the Chief Finance Officer may specifically authorise. In any interim period between receipt and banking, the responsible officer must ensure that the money received is at all times kept secure in a safe or locked cabinet.
- 8.6 Personal cheques shall not be cashed out of money held on behalf of the Council.

- 8.7 In respect of credit income due to the Council, accounts shall be rendered promptly by the relevant Chief Officer, and appropriate and accurate information supplied for subsequent recovery action, as directed by the Chief Finance Officer.

FINANCIAL REGULATION NO. 9

Income - Write-offs

- 9.1 The Chief Finance Officer shall be authorised to write-off such amounts which are irrecoverable by the council up to a maximum of £25,000 in value. Evidence must be provided by Chief Officers to the Chief Finance Officer as to why these debts are irrecoverable. The write-off of individual amounts above £25,000 shall only be actioned with approval of the portfolio holder for Finance, Property and Assets.

FINANCIAL REGULATION NO. 10

Petty Cash Imprests

- 10.1 The Chief Finance Officer shall provide such imprest and advance accounts as he considers appropriate for such officers of the council as may need them for defraying petty cash and other expenses. The Chief Finance Officer, or his authorised representatives, shall issue the necessary instructions to imprest/advance account holders for the setting up and operation of these accounts.
- 10.2 Chief Officers shall be responsible for imprests provided to their Service Group including all petty cash purchases and arrangements for the management of the imprest. Chief Officers shall be responsible for specifying which officers are authorised to certify petty cash vouchers on their behalf.
- 10.3 No income received on behalf of the council may be paid into an imprest/advance account, nor must it be supplemented from any other source. Income received must be banked or paid to the authority as provided elsewhere in these regulations.
- 10.4 Payments shall be limited to minor items of expenditure and to such other items as the Chief Finance Officer may approve. Payment requests shall be supported by a completed petty cash voucher and appropriate receipts. Details must be maintained in a petty cash book, and promptly written up.
- 10.5 An officer responsible for a petty cash imprest/advance account must produce it for inspection to the Chief Finance Officer, or his authorised representatives, immediately upon request.
- 10.6 On leaving council employment or otherwise ceasing to be entitled to hold an imprest/advance account, an officer shall account to the Chief Finance Officer for any amount advanced.

FINANCIAL REGULATION NO. 11

Salaries

- 11.1 The assessment and payment of all salaries, superannuation payments, compensation and other emoluments or allowances to all employees or former employees of the council shall be made by the Chief Finance Officer or in a manner approved and controlled by them after consultation with the relevant Chief Officer.

- 11.2 Each Chief Officer shall notify the Chief Finance Officer and the Human Resources Manager as soon as possible and in a form or following procedures approved by them, of all matters affecting the payment of such emoluments, and in particular:
- appointments, resignations, dismissals, suspensions, secondments and transfers
 - absences from duty for sickness or other reason that may affect emoluments
 - changes in remuneration, other than normal incremental progression and pay awards and agreements of general application
 - information necessary to maintain records of service for the purposes of superannuation, income tax, national insurance and other statutory and voluntary deductions from pay.
- 11.3 All time sheets and other documents in support of payments to employees shall be in a form prescribed or approved by the Chief Finance Officer or an officer designated by them and submitted to them before the dates specified. All such time sheets and documents shall be certified by the relevant Chief Officer or a responsible designated officer. The names of officers authorised to certify such records shall be provided to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended immediately on the occasion of any change therein.
- 11.4 The Chief Finance Officer is authorised to direct the implementation of all nationally agreed pay awards, except for matters where the council is required to exercise its discretion, and to implement incremental salary progression in accordance with national and local schemes. The Council's pay policy will be submitted annually alongside the budget taken to Full Council.

FINANCIAL REGULATION NO. 12

Travelling, Subsistence and Members' Expenses

- 12.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted duly certified in a form approved by the Chief Finance Officer or an officer designated by them. These shall be made up to a specified day of each month and submitted within the agreed timescales.
- 12.2 Where appropriate, payments to members, including co-opted members of the council or its committees who are entitled to claim travelling or other allowances will be made by the Chief Finance Officer upon receipt of the prescribed form, duly completed and authorised, by the 10th working day of each calendar month.
- 12.3 The certification by or on behalf of the relevant Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the council in respect of officers' claims. In all cases claims must be supported by receipts and supporting documentation.
- 12.4 Members' and Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the Human Resources Manager acting on behalf of the Chief Finance Officer.

FINANCIAL REGULATION NO. 13

Inventories and Stores Records

- 13.1 Each Chief Officer shall be responsible for the care, safe custody and physical control of those items held within his/her Service.

- 13.2 Each Chief Officer shall be responsible for the maintenance of records in the form approved by the Chief Finance Officer. The records shall include such items as the Chief Finance Officer, in consultation with the relevant Chief Officer, consider necessary.
- 13.3 Each Chief Officer shall arrange periodic physical checks of stocks, stores and equipment against relevant records by officers other than those responsible for their custody and control and shall ensure that all stocks are checked at least once in every year.
- 13.4 Each Chief Officer shall be responsible for ensuring that stocks of equipment and materials are not excessive in relation to requirements.
- 13.5 The Chief Finance Officer shall be entitled to receive from each Chief Officer such information as he requires in relation to stocks, stores and equipment for the accounting, costing and financial records.
- 13.6 Surplus materials, stores or equipment, deemed to be in a safe and useable condition shall normally be disposed of in accordance with procedures as agreed with the Chief Finance Officer.
- 13.7 No employee of the council shall use council vehicles and plant, whether for private purposes or in connection with his employment, unless authorised by the Chief Officer. Each Chief Officer shall maintain such records as are in the opinion of the Chief Finance Officer necessary to determine the use of the council's vehicles and plant.

FINANCIAL REGULATION NO.14

Insurance

- 14.1 Subject to any direction from the Council, the Chief Finance Officer shall arrange all insurance cover and liaise with the Council's insurers to agree all claims by or against the Council in consultation with other officers where necessary.
- 14.2 The relevant Chief Officer shall give prompt notification to the Chief Finance Officer, or an officer designated by them, of all risks, liabilities, properties, vehicles or other assets which require to be insured and of any proposed alteration that may affect the risk or the level and amount of insurance cover in place.
- 14.3 The relevant Chief Officer shall immediately notify the Chief Finance Officer of any loss, liability or damage or any event likely to lead to a claim, and inform the police unless otherwise agreed with the Service Lead Audit and Risk.
- 14.4 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.
- 14.5 The Chief Finance Officer shall annually, or at such other period as is considered necessary, review all insurances in consultation with other officers as appropriate.
- 14.6 The relevant Chief Officer should consult the Chief Finance Officer and Service Lead Audit and Risk or the Monitoring Officer concerning the terms of any indemnity which the council is requested to provide.
- 14.7 The relevant Chief Officer should ensure that insurance policies or certificates are inspected annually in all cases where responsibility for providing insurance cover is written into a contract of agreement with a third party.

FINANCIAL REGULATION NO.15

Security

- 15.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, vehicles, cash etc. under his/her control. They shall consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 15.2 Where an officer's employment with the council is terminated or a member's term of office ends, each Chief Officer is responsible for the safe and prompt return of all security badges, keys and equipment, as a matter of urgency to Human Resources. In addition, the Director Customer and Digital shall ensure that all ICT equipment has been accounted for and returned to the Council and that access to all systems has been cancelled.
- 15.3 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without his express permission. These must not exceed any limits set for insurance purposes and shall be held securely in a safe, or locked cabinet, with access limited to authorised officers.
- 15.4 Chief Officers shall ensure that adequate security of keys to safes and similar receptacles is maintained at all times. The loss of any such keys must be reported to the Chief Finance Officer forthwith.

FINANCIAL REGULATION NO.16

Irregularities

- 16.1 Any Chief Officer shall notify the Chief Finance Officer immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting assets, cash, stores, property, remuneration or allowances.
- 16.2 Any potential irregularities shall be dealt with in accordance with the Council's Anti-fraud and Corruption Strategy, Whistle-blowing and relevant Human Resources policies.

FINANCIAL REGULATION NO. 17

Internal Audit

- 17.1 Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance. It objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 17.2 The Council's statutory duty to maintain an adequate and effective system of internal audit in accordance with the Accounts & Audit Regulations is delegated to the Chief Finance Officer as part of the role's responsibilities for proper financial administration.
- 17.3 Internal Audit operates in accordance with the Public Sector Internal Audit Standards
- 17.4 Internal Audit should:
 - Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.

- Review the systems established to ensure compliance with those policies, plans, procedures, laws, regulations and contracts which could have a significant impact on operations and reports, and should determine whether the council is in compliance.
 - Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
 - Appraise the economy, efficiency and effectiveness with which resources are employed.
 - Review operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- 17.5 The Chief Finance Officer shall, to the extent it is considered necessary or desirable, conduct or arrange for the examination and audit of the accounts of the council and of its officers, members and agents.
- 17.6 Internal Audit and any authorised representative of the Chief Finance Officer shall have access for any necessary examination and audit, at all times, to all cash, property, documents, books of accounts and vouchers appertaining in any way to the finances of the Council, and shall be entitled to require such explanations as may be reasonably considered necessary to establish the correctness of any matter under examination.

FINANCIAL REGULATION NO.18

Contracts and Purchasing

- 18.1 Chief Officers are responsible for ensuring that any written contracts, agreements, awards and other instruments involving payment or receipt of money by the Council adhere to the Council's standing orders and contract procedure rules.
- 18.2 A contract must only be awarded and signed by a person authorised to do so, as set out in the Council's contract procedure rules. The authoriser must ensure that the appropriate budget holder has the funds in place to sustain the contract prior to award.
- 18.3 Each Chief Officer shall maintain his/her own record of all contracts entered into by his/her department. Chief Officers should also notify the Procurement Service of all contracts awarded for inclusion in the Council's Contracts Register.
- 18.4 Any Chief Officer is obliged to report to the Chief Finance Officer all significant variations in a contract during its course or any other factor, circumstances, event, etc. which may have an effect on the cost of a contract.
- 18.5 Purchase of equipment, goods and materials shall be effected through the most economical advantageous and practical means, making use of co-ordinated purchasing and contracting agreements, where these are available. To this end the Chief Finance Officer shall issue such general instructions as they deem necessary and shall be entitled to make such enquiries and to receive such information and explanations as they may reasonably require.
- 18.6 All requests for payments on account in respect of a contract are to be made by means of a certificate in a form agreed with the Chief Finance Officer and certified by an authorised Officer.

- 18.7 Invoices and claims for payment including final accounts of contracts shall be examined and verified by or on behalf of the Chief Officer before payment.

FINANCIAL REGULATION NO.19

Orders for Work, Goods and Services

- 19.1 All official orders must be placed on the Authority's financial system and are to be electronically approved only by officers authorised by the relevant Chief Officer who shall be responsible for official orders issued from the relevant service.
- 19.2 Official orders shall be issued for all work, goods or services to be supplied to the Council prior to delivery of goods or services or completion of work to be done, except for supplies of public utility services, periodical payments, petty cash purchases or such other exemptions as the Chief Finance Officer may approve.
- 19.3 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.
- 19.4 The Chief Officer of each service must notify the Chief Finance Officer of the names of all officers approved to electronically authorise official orders for goods and services identifying in each case the limits of their authority, and must also notify the Chief Finance Officer of any amendments to the authorised officers immediately any change takes place.
- 19.5 The Council's Standing Orders contain specific instructions relating to the letting of contracts, the issue of variation orders on contracts, and the purchase of goods and services, and these must be followed at all times.

FINANCIAL REGULATION NO. 20

Payment of accounts

- 20.1 Apart from petty cash and other payments from imprest accounts the preferred method of payment of money due from the council shall be by BACS, any exception to this shall be by agreement with the Chief Finance Officer.
- 20.2 The Chief Finance Officer shall issue such procedures and instructions as are necessary for the verification and passing for payment of invoices and claims.
- 20.3 Any Chief Officer issuing petty cash and other payments from imprest accounts is responsible for examining, verifying and certifying the related vouchers arising from sources in their service. Such certification shall be by or on behalf of the Chief Officer. The names of officers authorised to certify such records shall be provided to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended immediately on the occasion of any change therein.
- 20.4 Before certifying an account, the certifying officer shall satisfy themselves that:
- the work, goods or services to which the account relates have been received, carried out, examined and approved and a Goods Received Note entered into the financial system. This check should, where possible, be carried out by a different officer from the person who authorised the order;
 - the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;

- the relevant expenditure has been properly incurred, is within the relevant estimate provision;
- appropriate entries have been made in the inventories, stores records or stock books as required; and
- the account has not been previously passed for payment and is a proper liability of the council; and is in accordance with council Policy and Standing Orders.

20.5 Duly certified accounts will be reviewed by the Chief Finance Officer or an officer designated by them who shall examine them to the extent that they consider necessary, for which purpose they shall be entitled to make enquiries and to receive whatever information and explanations they may reasonably require to be satisfied as to the validity of accounts and claims presented for payment. The primary responsibility for ensuring the correctness of the account or claim for payment shall, however, remain with the certifying officer.

20.6 Each Chief Officer shall, as soon as possible after the 31st March and not later than the deadline specified in the annual closure of accounts timetable, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year.

4G FINANCIAL REGULATIONS

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FINANCIAL REGULATION NO. 1

General

Part 1 - Statutory Framework

- 1.1. The Chief Finance Officer is the officer charged with responsibility for the proper administration of the financial affairs of the council in accordance with Section 151 of the Local Government Act 1972.
- 1.2. In accordance with Section 114 of the Local Government Finance Act 1988, the Chief Finance Officer/~~Head of Paid Service~~ has the duty, after first consulting with the Council's Monitoring Officer, to report to all members of the Council and the external auditor if it appears that:-
- a) the authority, a committee or officer of the authority, or a Joint Committee on which the authority is represented:-
 - i) has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful
 - ii) has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or
 - iii) is about to enter an item of account, the entry of which would be unlawful
 - b) the expenditure of the authority incurred (including 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.

1.3. The Chief Finance Officer is the responsible financial officer in accordance with the Accounts and Audit Regulations. [For the purpose of these regulations the following specific titles apply to South Ribble Borough Council:](#)

| <u>Regulatory Title</u> | <u>South Ribble equivalent</u> |
|------------------------------|--|
| <u>Executive</u> | <u>Cabinet</u> |
| <u>Head of Paid Service</u> | <u>Chief Executive</u> |
| <u>Monitoring Officer</u> | <u>Director of Governance and Business Transformation</u> <u>(or an authorised representative)</u> |
| <u>Chief Finance Officer</u> | Chief Executive <u>Director of Finance</u> <u>(or an authorised representative)</u> |
| <u>Chief Officers</u> | Senior Management Team <u>Leadership Team</u> <u>(or an authorised representative)</u> |

Part 2 - Financial Administration

- 1.4. The ~~Head of Shared Financial Services~~ Chief Finance Officer administers the shared financial services on behalf of both South Ribble and Chorley Councils, as set out in the ~~Administration Collaboration Agreement~~ Shared Services Joint Agreement. The ~~Head of Shared Financial Services~~ Deputy Director of Finance is also the deputy Section 151 officer for both the Councils.
- 1.5. The Financial Regulations exist to regulate the council's financial affairs, to provide a framework for proper financial management and to maintain an acceptable standard of financial administration for the council. Whilst specific in terms, these Regulations are intended to operate with proper consultations with relevant officers, especially where other professions and skills are required to give effect to them in relation to procedures and professional practice to be observed.
- 1.6. The Financial Regulations should be read in conjunction with the council's Standing Orders and Contract Procedure Rules, particularly in relation to ordering of goods and services and letting of contracts.
- 1.7. All accounts and prime financial records are to be kept in a form acceptable to, and shall be compiled by, or under the direction of, the Chief Finance Officer. They shall be retained in accordance with legislative and other requirements for audit and inspection purposes. All new accounting procedures and systems and amendments to existing procedures and systems shall only be implemented with the explicit approval of the Chief Finance Officer.
- 1.8. All employees must provide the Chief Finance Officer with any information requested concerning the financial operations of the Council and allow access at any time to the documents and records under their control.
- 1.9. The Chief Finance Officer is responsible for ensuring the provision of advice to the Council, Executive, committees/sub-committees and council employees on all aspects of Local Government Finance and the financial implications of the Council's policies and objectives.
- 1.10. The Chief Finance Officer shall be informed by the responsible officer of any matters which have significant financial implications for the Council before a report is submitted to the Council, Executive, committees/sub-committees. The Chief Finance Officer must be given adequate time to consider the matter before despatch of the agenda item.
- 1.11. Responsibility for maintaining financial control and ensuring that expenditure is incurred and income is raised in accordance with the council's policies rests with individual Chief Officers.
- 1.12. Any expenditure incurred as a result of the My Neighbourhood ~~Area~~ Community Hubs plans is subject to the requirements of these financial regulations.
- 1.13. The Council's ~~senior management~~ Chief Officers must ensure that these Financial Regulations are observed throughout the authority.
- 1.154. Any breach of these Financial Regulations, unless they are made under the powers of urgent decisions outside of the budgetary framework, must be brought to the attention of the Chief Finance Officer and the Monitoring Officer, who may decide that disciplinary action should be brought against the individual(s) breaching the regulations.
- 1.165. The Chief Finance Officer may issue any instruction intended to secure proper financial administration, and this is to be effected by the responsible officer.

FINANCIAL REGULATION NO. 2

Revenue Expenditure

- 2.1 The Chief Finance Officer shall be responsible for co-ordinating the preparation of the Council's revenue estimates. Estimates of income and expenditure shall be prepared jointly by the Chief Finance Officer and ~~Chief Officers~~Head of Paid Service for submission to the Executive, for such periods and at such times as it may determine ensuring that any proposed expenditure is appropriate to the aims, policies and objectives of the council.
- 2.2 Revenue expenditure is defined as day-to-day operational expenditure that will generally be spent in the next twelve months; e.g., purchases of equipment, salaries, materials, maintenance and repairs.
- 2.3 In association with the preparation of the annual revenue budget, Chief Officers should review the fees and charges levied for council services and make appropriate recommendations to the appropriate Executive member for approval by delegated decision. All fees and charges must be reviewed at least annually in line with the Fees and Charges ~~budget~~ strategy.
- 2.4 Estimates of income and expenditure as approved by the Executive shall be consolidated into a comprehensive report by the Chief Finance Officer for submission to the council. Once approved these shall be published annually in the form of a budget book.
- 2.5 Chief Officers shall be responsible for ensuring that the amount provided in any estimate approved by the Council shall not in whole or in part be used for any purpose other than that for which it is authorised, subject to the approved virement limits outlined below.
- 2.6 Chief Officers shall have the power to incur revenue expenditure to the limit of their budget allocation, subject to the Council's Financial and Contract Procedure Rules and Scheme of Delegation without further approval, except for:-
- (a) any revenue expenditure which involves a variation from the Council's approved Policy Framework which must be approved by Council.
 - (b) any expenditure which would leave the Council with future commitments for which funding has not been identified. This would require Executive approval; and
 - (c) any expenditure which would trigger a key decision as defined by the Constitution (unless previously delegated to the Chief Officer).

Scheme of Virements

- 2.7 The scheme of virement is intended to enable the Executive, Chief Officers and their staff to manage budgets with a degree of flexibility within the overall policy framework determined by the full council, and therefore to optimise the use of resources.
- 2.8 Key controls for the scheme of virement are:
- (a) it is administered by the Chief Finance Officer within the guidelines below. Any variation from this scheme requires the approval of the Full Council.
 - (b) the overall budget is agreed by the executive and approved by the Full Council. Chief officers are therefore authorised to incur expenditure in accordance with the estimates that make up the budget. The rules below cover virement; that is, switching resources between approved estimates or heads of expenditure.
 - (c) virement does not create additional overall budget liability. Chief Officers are

expected to exercise their discretion in managing their budgets responsibly and prudently.

- (d) any virement affecting an employee budgets can only proceed with the authorisation of the Chief Finance Officer.

Responsibilities of the Chief Finance Officer

~~2.9~~ To notify, jointly with the Chief Officer(s) and the Head of Paid Service where virements in excess of £10,000 are proposed.

~~2.10-9~~ To ensure the virement authorisation limits are understood and adhered to across the whole organisation

~~2.11-10~~ Any budget virements from or to staffing budgets must require joint approval by the Head of Paid Service, Chief Finance Officer and relevant Chief Officer(s).

~~2.7-12-1~~ Virements between revenue budget heads shall be authorised as follows:

- (a) up to £10,000 by Directors or Service Heads following the completion of a virement request form, checked by the Chief Finance Officer or his/her authorised representative;
- (b) Any budget virements between £10,000 and £50,000 require joint approval by the Head of Paid Service, Chief Finance Officer and Chief Officer(s). ~~between £10,001 and £75,000 by the in consultation with the Executive Member for Finance and Resources through the council's scheme of delegation;~~
- (c) Any budget virements between £50,000 and £100,000 require joint approval by the Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s).
- (d) The Executive may authorise budget virements up to £100,000
- ~~(e) Any budget virements greater than £100,000 require the approval of the Full Council in line with the Council's policy regarding key decisions. £75,001 and over by Executive.~~

~~2.13-2~~ Virements from employee budgets towards recurring non-pay expenditure will only be permitted in exceptional circumstances and can only proceed with the prior approval of the Chief Finance Officer.

~~2.14-3~~ The prior approval of the executive is required for any virement, of whatever amount, where it is proposed to:

- vire between budgets of different accountable executive members
- vire between budgets managed by different Chief Officers.

~~2.15-4~~ Virement that is likely to impact on the level of service activity of another Chief Officer should be implemented only after agreement with the relevant Chief Officer.

~~Requests for approval should be supported by adequate background information; e.g. impact on future years.~~

Funded Budget Increase

~~2.8-1-6-5~~ Revenue budget increases supported by new or increased external funding shall be authorised in line with virement scheme outlined above. ~~as follows:~~

~~(a) up to £10,000 by Directors or Service Heads;~~

~~(b) between £10,001 and £75,000 by the Chief Finance Officer in consultation with the Executive Member for Finance and Resources through the council's scheme of delegation;~~

~~(c) £75,001 and over by Executive.~~

2.9176 At the end of the financial year, the Chief Finance Officer has discretion to reflect the rephasing of an approved revenue budget in future revenue budgets.

2.40187 Chief Officers shall be responsible for ensuring that any proposed item of expenditure not included in the approved estimates or any likely overspending or reduction of estimated income which cannot be funded shall not be incurred without the prior consent of the council after considering the advice of the Executive. This shall form the subject of a request for a supplementary estimate.

2.41198 No expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or extension of existing policy without the prior approval of the council following a report from the Executive.

FINANCIAL REGULATION NO. 3

Capital Expenditure

3.1 The Chief Finance Officer shall be responsible for co-ordinating the preparation of the council's ~~s five year~~ capital programme. This shall comprise individual schemes and forms part of the Council's Budget and Policy Framework. The Chief Finance Officer shall submit the programme to the Executive annually for approval and at appropriate intervals as necessary in the year.

3.2 Programmes of capital expenditure as approved by the Executive shall be consolidated into a comprehensive report by the Chief Finance Officer for submission to Council.

3.3 The Capital Programme will generally contain expenditure on the acquisition of fixed assets or expenditure which adds to rather than maintains the value of fixed assets. In cases of doubt the Chief Finance Officer will determine whether a scheme will be treated as capital or revenue expenditure.

3.4 The programme of capital expenditure shall not automatically constitute the authority for incurring expenditure. Upon the approval by the Council ~~of the Programme(s) of os the Capital Programme, Capital Expenditure~~ the relevant Chief Officer shall prepare a ~~detailed~~ financial appraisal of each scheme over ~~£10075,000~~ in the Programme(s) for approval ~~o~~ expenditure by the Executive. ~~–Schemes up to £10075,000 in value can be dealt with through the delegated powers procedure which includes the preparation of a detailed~~ financial appraisal by the relevant Chief Officer.

The ~~detailed~~ financial appraisal shall include as a minimum:

- (a) a cost breakdown including maintenance costs and, if available, a spending profile of the scheme;
- (b) an appraisal of the funding options/costs of financing the scheme;
- (c) the future revenue costs and revenue budget implications;
- (d) a risk assessment;
- (e) viable-an assessment of alternatives;
- (f) if available, details of procurement path and delegations required (if any);
- (g) detailed-details of objectives, outputs and outcomes;
- (h) relevant drawings and plans;

- 3.5 Procedures for the creation of contracts are set out in the council's Standing Orders and contract procedure rules.
- 3.6 ~~Guidance and procedures for the management of projects, including capital projects, are set out in the council's Project Management Framework. Projects are to be delivered in line with the corporate project management procedures.~~
- 3.7 The relevant Chief Officer shall be responsible for ensuring that an amount provided in any capital estimate approved by the Council shall not be used in whole or in part for any purpose other than that for which it is authorised.

Capital Monitoring and Reporting Requirements

- 3.8 Chief Officers are required to ensure that throughout the implementation period of a capital scheme, the specification remains consistent with the original overall objectives of the scheme and that expenditure continues to deliver best value for money for the Council.
- 3.9 Chief Officers must monitor and report capital expenditure and income for all schemes within the approved capital programme and identify any variations against the approved level of expenditure. Monitoring and reporting will be undertaken at intervals specified by the Chief Finance Officer.
- 3.10 Chief Officers must ensure that external funding has been secured for each scheme (if applicable). Reimbursements from third parties should be claimed promptly as expenditure is incurred and wherever possible in advance of expenditure being incurred so that cash flow costs are minimised.
- 3.11 Chief Officers are required to use the Council's financial information systems to maintain records of actual and committed expenditure, income for each capital scheme and records of the approved budget allocations.
- 3.12 Chief Officers must ensure that all information on the Council's financial system is accurate and up to date and is fully reconciled to any supporting records.

Capital Programme – Rephrasing

- 3.13 If it becomes necessary to rephrase approved expenditure within a current or future year's Capital Programme, then the Chief Finance Officer may undertake such rephrasing and report it to the Executive Member for Finance and Resources. The impact of any rephrasing will be included in quarterly budget monitoring reports.

Capital Programme - Scheme Overspends

- 3.14 The Chief Finance Officer will monitor any ~~predicted forecast~~ under or overspends on capital schemes during each financial year and include their impact in any monitoring reports on the basis of information provided by Chief Officers.
- 3.15 The Chief Finance Officer, ~~in consultation with the Executive Member for Finance and Resources, may,~~ Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s). may approve increased costs on an individual scheme to a maximum of ~~£10075~~,000 provided that it is funded by a virement of resources from another scheme in the ~~five y~~Capital Programme or new external funding, through the Council's scheme of delegation.;
- 3.16 Any increases to the capital programme in excess of £100,000 require the approval of Full Council in line with the Council's policy regarding key decisions~~The Executive may approve~~

~~increased costs above £10075,000 on an individual scheme provided that it is funded by a virement of resources from one scheme to another within the five-year Capital Programme or new external funding.~~

~~3.17 In all other cases a Chief Officer must seek Council approval of a budget increase.~~

3.17 If it is unclear during the progress of a scheme as to its final outturn cost or the impact on the ~~five-year~~ Capital Programme, the Chief Finance Officer will advise the Chief Officer as to the need and timing for a budget increase. In exercising this judgment, the Chief Finance Officer is authorised to consider the probability, size, and nature of the potential overspend and its impact on the capital programme.

New Capital Schemes

3.18 ~~The Head of Paid Service, Chief Finance Officer, Chief Officer(s) and the relevant Executive Member(s)~~ may approve a new capital scheme to a maximum of £10075,000, provided that it is funded by a virement of resources from another scheme in the ~~five-year~~ Capital Programme or new external funding.

3.19 ~~The Executive may approve expenditure above £75,000~~Approval above £100,000 for a new scheme must be made by Full Council, provided it is funded by a virement of resources from another scheme in the five-year Capital Programme or new external funding.

~~In all other cases a Chief Officer must seek Council approval for expenditure on a new capital scheme.~~

3.20 Requests for approval to Council must be supported by a report including, as a minimum, the information requested in Paragraph 3.4.

FINANCIAL REGULATION No. 4

Grants to External Organisations

4.1 It is the responsibility of all Chief Officers to ensure that organisations in receipt of grant aid (either from the Council's own funds or through external funding) have (as a minimum):-

- (a) satisfactorily demonstrated that they are a competent and suitable organisation to receive public money; and
- (b) ensure appropriate management and accountability procedures are in place to achieve their aims and objectives; and
- (c) ensure that financial propriety is observed.

4.2 Where a grant is approved, there must be written confirmation of the grant offer and where appropriate a formal grant agreement before any payment is made. The offer letter/agreement should include:-

- details of the amount of grant approved;
- the purpose and duration of the grant;
- the arrangements for payment; and also, where appropriate;
 - the monitoring and evaluation arrangements; and
 - the circumstances when grant funding may be terminated.

4.3 Any grant offers (as a minimum) must require the recipient to keep appropriate records and ensure these are available for Council inspection and further the clause must require the organisation to demonstrate that the grant has been used for the agreed purpose.

4.4 All Chief Officers must ensure that the terms and conditions for any grants awarded are monitored for compliance.

FINANCIAL REGULATION No. 5

External Funding

- 5.1 All Chief Officers are required to ensure that the Chief Finance Officer is informed of all funding bids and subsequent grant offers.
- 5.2 Chief Officers are required to ensure that the acceptance of grant offers (i.e. terms and conditions) is approved by Legal a representative of the Council's legal services and by the Chief Finance Officer or Deputy Chief Finance Officer.
- 5.3 Chief Officers and the Chief Finance Officer must consult internal audit services for advice when grant conditions are deemed complex, for example where delivery of grant conditions requires cooperation across different directorates, services or involves third party organisations.
- 5.43 Chief Officers are required to ensure that for any project where external grant funding has been accepted, the project(s) progresses in accordance with the bid and there is compliance with the Council's standing orders and contract procedure rules and financial regulations. Chief Officers are also responsible for ensuring compliance with the terms and conditions of the grant.
- 5.45 Chief Officers are responsible for ensuring the timely submission of any grant claims to recover money due to the Council.

FINANCIAL REGULATION NO. 6

Treasury Management - Investments, borrowings and trust funds

- 6.1 Treasury Management is defined as the management of the Council's investments and cash flows, its banking, money market and capital market transactions, the effective control of the associated risks and pursuit of the optimum performance consistent with those risks.
- 6.2 The council adopts the key recommendations of the Chartered Institute of Public Finance and Accountancy (CIPFA) publication *Treasury Management in the Public Services: Code of Practice (the Code)*, as described in Section 5 of that Code. Accordingly the council will create and maintain, as the cornerstones for effective treasury management:
- A treasury management policy statement, which sets out the policies objectives and approach to risk management of its treasury management activities;
 - Suitable treasury management practices (TMPs), setting out the manner in which the council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The content of the policy statement and TMPs will follow the recommendations contained in Sections 6 and 7 of the Code, subject only to amendment where necessary to reflect the particular circumstances of this council. Such amendments will not result in the Council materially deviating from the Code's key principles.

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

- 6.4 This Council delegates responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Executive, 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, if ~~they are~~~~he/she is~~ a CIPFA member, CIPFA's *Standard of Professional Practice on Treasury Management*.
- 6.5 This Council nominates the Governance Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies.
- 6.6 All investments of money under its control shall be made in the name of the council or in the name of nominees approved by the Executive.
- 6.7 All property title deeds and any associated documentation shall be held in the custody of the Council's Monitoring Officer.
- 6.8 All borrowings shall be affected in the name of the Council.
- 6.9 The Chief Finance Officer shall be the Council's registrar of stocks, bonds and mortgages and shall maintain records of all borrowing of money by the Council.
- 6.10 All trust funds shall wherever possible be in the name of the Council.
- 6.11 All officers acting as trustees by virtue of their official position shall deposit all securities, etc., relating to the trust with the Chief Finance Officer unless the deed otherwise provides.

FINANCIAL REGULATION NO. 7

Banking Arrangements

- 7.1 All banking arrangements shall be made by, or be approved by, the Chief Finance Officer, who shall be authorised to operate such bank accounts as he may consider necessary for the making of payments on behalf of the council and for the deposit of monies receivable by the council.
- 7.2 All cheques and other orders for payment shall be ordered only on the authority of the Chief Finance Officer, who shall make proper arrangements for their safe custody.
- 7.3 Cheques drawn on the council's main bank accounts, shall bear the facsimile signature of the Chief Finance Officer, or be signed by ~~them~~~~him~~ or other authorised officer in accordance with the council's bank mandate.
- 7.4 Authorisations for the direct debiting of the council's bank accounts shall be given only under the personal signature of the Chief Finance Officer or other authorised officer, and only under arrangements authorised by, the Chief Finance Officer or his authorised representative, who shall also satisfy ~~themselves~~~~himself~~ as to the arrangements for their control and recording in the Council's accounts.

FINANCIAL REGULATION NO. 8

Income

- 8.1 Arrangements for the safe and efficient collection/receipt of, and accounting for, all monies due to the council shall be under the supervision of or in accordance with arrangements

approved by the Chief Finance Officer. All receipts shall be paid into the council's bank account by or under the direction of the Chief Finance Officer.

- 8.2 Each Chief Officer shall provide the Chief Finance Officer with all necessary information concerning work done, goods supplied or services rendered and of all other amounts due to enable the correct recording of all sums due to the council and to ensure the prompt raising of accounts for the recovery of income due.
- 8.3 The Chief Finance Officer shall be notified promptly of all money due to the Council and of contracts, leases and other agreements and arrangements entered into which involve the receipt of money by the council and the Chief Finance Officer shall have the right to inspect any documents or other evidence in this connection as deemed necessary.
- 8.4 All receipt books, paying-in books and other such controlled stationery shall be ordered and supplied to services by, or under arrangements authorised by, the Chief Finance Officer or ~~their/his/her~~ authorised representative, who shall also satisfy ~~themselves/himself~~ as to the arrangements for their control.
- 8.5 All money received by an officer of the Council shall without delay be paid into the Council's bank account in the form in which they are received and in accordance with instructions issued by and at intervals agreed with the Chief Finance Officer. No deduction may be made from such money save to the extent that the Chief Finance Officer may specifically authorise. In any interim period between receipt and banking, the responsible officer must ensure that the money received is at all times kept secure in a safe or locked cabinet.
- 8.6 Personal cheques shall not be cashed out of money held on behalf of the Council.
- 8.7 In respect of credit income due to the Council, accounts shall be rendered promptly by the relevant Chief Officer, and appropriate and accurate information supplied for subsequent recovery action, as directed by the Chief Finance Officer.

FINANCIAL REGULATION NO. 9

Income - Write-offs

- 9.1 The Chief Finance Officer shall be authorised to write-off such amounts which are irrecoverable by the council up to a maximum of £25,000 in value. Evidence must be provided by Chief Officers to the Chief Finance Officer as to why these debts are irrecoverable. The write-off of individual amounts above £25,000 shall only be actioned ~~in consultation with~~ with approval of the portfolio holder for Finance, Property and Assets~~Finance and Resources Portfolio Holder.~~

FINANCIAL REGULATION NO. 10

Petty Cash Imprests

- 10.1 The Chief Finance Officer shall provide such imprest and advance accounts as he considers appropriate for such officers of the council as may need them for defraying petty cash and other expenses. The Chief Finance Officer, or his authorised representatives, shall issue the necessary instructions to imprest/advance account holders for the setting up and operation of these accounts.
- 10.2 Chief Officers shall be responsible for imprests provided to their Service Group including all petty cash purchases and arrangements for the management of the imprest. Chief Officers shall be responsible for specifying which officers are authorised to certify petty cash vouchers on their behalf.

- 10.3 No income received on behalf of the council may be paid into an imprest/advance account, nor must it be supplemented from any other source. Income received must be banked or paid to the authority as provided elsewhere in these regulations.
- 10.4 Payments shall be limited to minor items of expenditure and to such other items as the Chief Finance Officer may approve. Payment requests shall be supported by a completed petty cash voucher and appropriate receipts. Details must be maintained in a petty cash book, and promptly written up.
- 10.5 An officer responsible for a petty cash imprest/advance account must produce it for inspection to the Chief Finance Officer, or his authorised representatives, immediately upon request.
- 10.6 On leaving council employment or otherwise ceasing to be entitled to hold an imprest/advance account, an officer shall account to the Chief Finance Officer for any amount advanced.

FINANCIAL REGULATION NO. 11

Salaries

- 11.1 The assessment and payment of all salaries, superannuation payments, compensation and other emoluments or allowances to all employees or former employees of the council shall be made by the Chief Finance Officer or in a manner approved and controlled by [them/him](#) after consultation with the relevant Chief Officer.
- 11.2 Each Chief Officer shall notify the Chief Finance Officer and the ~~Head of~~ Human Resources ~~Manager~~ as soon as possible and in a form or following procedures approved by [them/him](#), of all matters affecting the payment of such emoluments, and in particular:
- appointments, resignations, dismissals, suspensions, secondments and transfers
 - absences from duty for sickness or other reason that may affect emoluments
 - changes in remuneration, other than normal incremental progression and pay awards and agreements of general application
 - information necessary to maintain records of service for the purposes of superannuation, income tax, national insurance and other statutory and voluntary deductions from pay.
- 11.3 All time sheets and other documents in support of payments to employees shall be in a form prescribed or approved by the Chief Finance Officer or an officer designated by [them/him/her](#) and submitted to [them/him/her](#) before the dates specified. All such time sheets and documents shall be certified by the relevant ~~Director, Head of Service~~ [Chief Officer](#) or a responsible designated officer. The names of officers authorised to certify such records shall be provided to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended immediately on the occasion of any change therein.
- 11.4 The Chief Finance Officer is authorised to direct the implementation of all nationally agreed pay awards, except for matters where the council is required to exercise its discretion, and to implement incremental salary progression in accordance with national and local schemes. The Council's pay policy will be submitted annually alongside the budget taken to Full Council.

FINANCIAL REGULATION NO. 12

Travelling, Subsistence and Members' Expenses

- 12.1 All claims for payment of car allowances, subsistence allowances, travelling and incidental expenses shall be submitted duly certified in a form approved by the Chief Finance Officer or an officer designated by ~~them~~him/her. These shall be made up to a specified day of each month and submitted within the agreed timescales.
- 12.2 Where appropriate, payments to members, including co-opted members of the council or its committees who are entitled to claim travelling or other allowances will be made by the Chief Finance Officer upon receipt of the prescribed form, duly completed and authorised, by the 10th working day of each calendar month.
- 12.3 The certification by or on behalf of the relevant Chief Officer shall be taken to mean that the certifying officer is satisfied that the journeys were authorised, the expenses properly and necessarily incurred and that the allowances are properly payable by the council in respect of officers' claims. In all cases claims must be supported by receipts and supporting documentation.
- 12.4 Members' and Officers' claims submitted more than three months after the expenses were incurred will be paid only with the express approval of the ~~Head of~~ Human Resources Manager acting on behalf of the Chief Finance Officer.

FINANCIAL REGULATION NO. 13

Inventories and Stores Records

- 13.1 Each Chief Officer shall be responsible for the care, safe custody and physical control of those items held within his/her Service.
- 13.2 Each Chief Officer shall be responsible for the maintenance of records in the form approved by the Chief Finance Officer. The records shall include such items as the Chief Finance Officer, in consultation with the relevant Chief Officer, consider necessary.
- 13.3 Each Chief Officer shall arrange periodic physical checks of stocks, stores and equipment against relevant records by officers other than those responsible for their custody and control and shall ensure that all stocks are checked at least once in every year.
- 13.4 Each Chief Officer shall be responsible for ensuring that stocks of equipment and materials are not excessive in relation to requirements.
- 13.5 The Chief Finance Officer shall be entitled to receive from each Chief Officer such information as he requires in relation to stocks, stores and equipment for the accounting, costing and financial records.
- 13.6 Surplus materials, stores or equipment, deemed to be in a safe and useable condition shall normally be disposed of in accordance with procedures as agreed with the Chief Finance Officer.
- 13.7 No employee of the council shall use council vehicles and plant, whether for private purposes or in connection with his employment, unless authorised by the Chief Officer. Each Chief Officer shall maintain such records as are in the opinion of the Chief Finance Officer necessary to determine the use of the council's vehicles and plant.

FINANCIAL REGULATION NO.14

Insurance

- 14.1 Subject to any direction from the Council, the Chief Finance Officer shall arrange all insurance cover and liaise with the Council's insurers to agree all claims by or against the Council in consultation with other officers where necessary.
- 14.2 The relevant Chief Officer shall give prompt notification to the Chief Finance Officer, or an officer designated by them/him/her, of all risks, liabilities, properties, vehicles or other assets which require to be insured and of any proposed alteration that may affect the risk or the level and amount of insurance cover in place.
- 14.3 The relevant Chief Officer shall immediately notify the Chief Finance Officer of any loss, liability or damage or any event likely to lead to a claim, and inform the police unless otherwise agreed with the Service Lead Audit and Risk ~~Head of Shared Assurance Services~~.
- 14.4 All appropriate employees of the council shall be included in a suitable fidelity guarantee insurance.
- 14.5 The Chief Finance Officer shall annually, or at such other period as is considered necessary, review all insurances in consultation with other officers as appropriate.
- 14.6 The relevant Chief Officer should consult the Chief Finance Officer and ~~the Head of Shared Assurance Services~~ Service Lead Audit and Risk or the Monitoring Officer concerning the terms of any indemnity which the council is requested to provide.
- 14.7 The relevant Chief Officer should ensure that insurance policies or certificates are inspected annually in all cases where responsibility for providing insurance cover is written into a contract of agreement with a third party.

FINANCIAL REGULATION NO.15

Security

- 15.1 Each Chief Officer is responsible for maintaining proper security at all times for all buildings, stocks, stores, furniture, vehicles, cash etc. under his/her control. They/He/she shall consult the Chief Finance Officer in any case where security is thought to be defective or where it is considered that special security arrangements may be needed.
- 15.2 Where an officer's employment with the council is terminated or a member's term of office ends, each Chief Officer is responsible for the safe and prompt return of all security badges, keys and equipment, as a matter of urgency to Human Resources. In addition, the Director ~~of Business Transformation~~ Customer and Digital shall ensure that all ICT equipment has been accounted for and returned to the Council and that access to all systems has been cancelled.
- 15.3 Maximum limits for cash holdings shall be agreed with the Chief Finance Officer and shall not be exceeded without his express permission. These must not exceed any limits set for insurance purposes and shall be held securely in a safe, or locked cabinet, with access limited to authorised officers.
- 15.4 Chief Officers shall ensure that adequate security of keys to safes and similar receptacles is maintained at all times. The loss of any such keys must be reported to the Chief Finance Officer forthwith.

FINANCIAL REGULATION NO.16

Irregularities

- 16.1 Any Chief Officer shall notify the Chief Finance Officer immediately of all financial or accounting irregularities or suspected irregularities or of any circumstances which may suggest the possibility of irregularities including those affecting assets, cash, stores, property, remuneration or allowances.
- 16.2 Any potential irregularities shall be dealt with in accordance with the Council's Anti-fraud and Corruption [Strategy](#), Whistle-blowing and relevant Human Resources policies.

FINANCIAL REGULATION NO. 17

Internal Audit

- 17.1 ~~Internal audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance.~~ Internal Audit is an assurance function that primarily provides an independent and objective opinion to the organisation on the control environment comprising risk management, control and governance by evaluating its effectiveness in achieving the organisations objectives. It objectively examines, evaluates and reports on the adequacy of the internal control environment as a contribution to the proper, economic, efficient and effective use of resources.
- 17.2 The Council's statutory duty to maintain an adequate and effective system of internal audit in accordance with the Accounts & Audit Regulations is delegated to the Chief Finance Officer as part of ~~his~~ [the role's](#) responsibilities for proper financial administration.
- 17.3 Internal Audit operates in accordance with the [Public Sector Internal Audit Standards](#) ~~Institute of Internal Auditing – Standards & Guidelines for the Professional Practice of Internal Auditing.~~
- 17.4 ~~Internal Audit is responsible for examining and evaluating the adequacy and effectiveness of the council's system of internal control and the quality of performance in carrying out assigned responsibilities.~~ Internal Audit should:
- Review the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
 - Review the systems established to ensure compliance with those policies, plans, procedures, laws, regulations and contracts which could have a significant impact on operations and reports, and should determine whether the council is in compliance.
 - Review the means of safeguarding assets and, as appropriate, verify the existence of such assets.
 - Appraise the economy, efficiency and effectiveness with which resources are employed.
 - Review operations or programmes to ascertain whether results are consistent with established objectives and goals and whether the operations or programmes are being carried out as planned.
- 17.5 The Chief Finance Officer shall, to the extent ~~he~~ [it is](#) ~~considered~~ necessary or desirable, conduct or arrange for the examination and audit of the accounts of the council and of its officers, members and agents.

- 17.6 Internal Audit and any authorised representative of the Chief Finance Officer shall have access for any necessary examination and audit, at all times, to all cash, property, documents, books of accounts and vouchers appertaining in any way to the finances of the Council, and shall be entitled to require such explanations as may be reasonably considered necessary to establish the correctness of any matter under examination.

FINANCIAL REGULATION NO.18

Contracts and Purchasing

- 18.1 Chief Officers are responsible for ensuring that any written contracts, agreements, awards and other instruments involving payment or receipt of money by the Council adhere to the Council's standing orders and contract procedure rules.
- 18.2 A contract must only be awarded and signed by a person authorised to do so, as set out in the Council's contract procedure rules. The authoriser must ensure that the appropriate budget holder has the funds in place to sustain the contract prior to award.
- 18.3 Each Chief Officer shall maintain his/her own record of all contracts entered into by his/her department. Chief Officers should also notify the Procurement Service of all contracts awarded for inclusion in the Council's Contracts Register.
- 18.4 Any Chief Officer is obliged to report to the Chief Finance Officer all significant variations in a contract during its course or any other factor, circumstances, event, etc. which may have an effect on the cost of a contract. ~~Any contract extension must be approved in accordance with financial regulation 3.15.~~
- 18.5 Purchase of equipment, goods and materials shall be affected through the most economical advantageous and practical means, making use of co-ordinated purchasing and contracting agreements, where these are available. To this end the Chief Finance Officer shall issue such general instructions as they deem necessary and shall be entitled to make such enquiries and to receive such information and explanations as they may reasonably require.
- 18.6 All requests for payments on account in respect of a contract are to be made by means of a certificate in a form agreed with the Chief Finance Officer and certified by an authorised Officer.
- 18.7 Invoices and claims for payment including final accounts of contracts shall be examined and verified by or on behalf of the Chief Officer before payment.

FINANCIAL REGULATION NO.19

Orders for Work, Goods and Services

- 19.1 All official orders must be placed on the Authority's financial system and are to be electronically approved only by officers authorised by the relevant Chief Officer who shall be responsible for official orders issued from the relevant service.
- 19.2 Official orders shall be issued for all work, goods or services to be supplied to the Council prior to delivery of goods or services or completion of work to be done, except for supplies of public utility services, periodical payments, petty cash purchases or such other exemptions as the Chief Finance Officer may approve.
- 19.3 Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

- 19.4 The Chief Officer of each service must notify the Chief Finance Officer of the names of all officers approved to electronically authorise official orders for goods and services identifying in each case the limits of their authority, and must also notify the Chief Finance Officer of any amendments to the authorised officers immediately any change takes place.
- 19.5 The Council's Standing Orders contain specific instructions relating to the letting of contracts, the issue of variation orders on contracts, and the purchase of goods and services, and these must be followed at all times.

FINANCIAL REGULATION NO. 20

Payment of accounts

- 20.1 Apart from petty cash and other payments from imprest accounts the preferred method of payment of money due from the council shall be by BACS, any exception to this shall be by agreement with the Chief Finance Officer.
- 20.2 The Chief Finance Officer shall issue such procedures and instructions as are necessary for the verification and passing for payment of invoices and claims.
- 20.3 Any Chief Officer issuing petty cash and other payments from imprest accounts is responsible for examining, verifying and certifying the related vouchers arising from sources in their service. Such certification shall be by or on behalf of the Chief Officer. The names of officers authorised to certify such records shall be provided to the Chief Finance Officer by each Chief Officer together with specimen signatures and shall be amended immediately on the occasion of any change therein.
- 20.4 Before certifying an account, the certifying officer shall satisfy themselves/him/herself that:
- the work, goods or services to which the account relates have been received, carried out, examined and approved and a Goods Received Note entered into the financial system. This check should, where possible, be carried out by a different officer from the person who authorised the order;
 - the prices, extensions, calculations, trade discounts, other allowances, credits and tax are correct;
 - the relevant expenditure has been properly incurred, is within the relevant estimate provision;
 - appropriate entries have been made in the inventories, stores records or stock books as required; and
 - the account has not been previously passed for payment and is a proper liability of the council; and is in accordance with council Policy and Standing Orders.
- 20.5 Duly certified accounts will be reviewed by the Chief Finance Officer or an officer designated by them/him/her who shall examine them to the extent that they/he/she considers necessary, for which purpose they/he/she shall be entitled to make enquiries and to receive whatever information and explanations they/he/she may reasonably require to be satisfied as to the validity of accounts and claims presented for payment. The primary responsibility for ensuring the correctness of the account or claim for payment shall, however, remain with the certifying officer.

- | 20.6 Each Chief Officer shall, as soon as possible after the 31st March and not later than the deadline specified in the annual closure of accounts timetable, notify the Chief Finance Officer of all outstanding expenditure relating to the previous financial year.

Appendix 2

South Ribble Borough Council
Extract from Council Constitution (extracted 09/03/21)

Part 2 – pages 16-18

Part 2D – Governance Committee

1. Governance Committee

Statement of Purpose

1. Governance Committee is a key component of South Ribble Borough Council's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.
2. The purpose of our Governance Committee is to provide independent assurance to the members of the adequacy of the risk management framework and the internal control environment. It provides independent review of South Ribble Borough Council's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.
3. To take an overview of the Council's constitution and assist the Monitoring Officer in reviewing the constitution to ensure it is current and meets the purpose set out in Article 1.

2. Membership

- (a) **Political Balance.** The Governance Committee is required to have proportional political balance in accordance with the provisions of the Local Government & Housing Act 1989.
- (b) **Membership.** 7 Members. No member of the Cabinet may sit on the Governance Committee
- (c) **Chairing the Governance Committee.** Chairman and Vice Chairman appointed by the Council at the first business meeting of the new municipal year. In the absence of the both the Chairman and Vice Chairman a Chairman for the meeting may be appointed by the Committee. Any permanent replacement of the Chairman or Vice Chairman requires full Council approval.
- (d) **Liaison with Scrutiny.** The Chairman of the Governance Committee will liaise with the Chairman of the Scrutiny Committee to ensure effective co-ordination of Scrutiny and Governance. An outline of how the joint areas of responsibilities between the Committees are to be met to avoid duplication and gaps is shown in Protocol 9 in Part 5C

3. Terms of Reference

Governance, Risk and Control

1. To periodically review the council's corporate governance arrangements against the CIPFA/SOLACE good governance framework, ~~and consider annual governance reports and assurances.~~ **including the ethical framework and consider the local code of governance.**
2. To approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control.
3. To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.
4. To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
5. To monitor the effective development and operation of risk management in the council.
6. To monitor progress in addressing risk-related issues reported to the committee.
7. To consider reports on the effectiveness of internal controls and monitor the implementation of agreed actions.
8. To review the assessment of fraud risks and potential harm to the council from fraud and corruption.
9. To monitor the counter-fraud strategy, actions and resources.

***To review the governance and assurance arrangements for significant partnerships or collaborations.**

Internal Audit

10. To approve the Internal Audit Charter.
11. To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.
12. To approve the risk-based internal audit plan, including internal audit's resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those other sources.
13. To approve significant interim changes to the risk-based internal audit plan and resource requirements.

Part 2 – pages 16-18

14. To make appropriate enquiries of both management and the ~~Head of Shared Assurance Services~~ **Service Lead – Audit & Risk** to determine if there are any inappropriate scope or resource limitations.

***To consider any impairments to independence or objectivity arising from additional roles of responsibilities outside of the head of internal audit. To approve and periodically review safeguards to limit such impairments.**

15. To consider reports from the ~~Head of Shared Assurance Services~~ **Service Lead – Audit & Risk** on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
- a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work.
 - b) Regular reports on the results of the Quality Assurance and Improvement Programme.
 - c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement.
16. To consider the ~~Head of Shared Assurance~~ **Service Lead – Audit & Risk** Annual report:
- a) The statement of the level of conformance with the Public Sector Internal Audit Standards and Local Government Application Note and the results of the Quality Assurance and Improvement Programme that supports the statement – these will indicate the reliability of the conclusions of internal audit.
 - b) The opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the committee in reviewing the Annual Governance Statement.
17. To consider summaries of specific internal audit reports as requested.
18. To receive reports outlining the action taken where the ~~Head of Shared Assurance~~ **Service Lead – Audit & Risk** has concluded that management has accepted a level of risk that may be unacceptable to the authority or there are concerns about progress with the implementation of agreed actions.
19. To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years.

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20. To consider a report on the effectiveness of internal audit to support the Annual Governance Statement, where required to do so by the Accounts and Audit Regulations.
21. ~~To support the development of effective communication with the Head of Shared Assurance.~~

***To provide free and unfettered access to the Governance Committee Chair for the Service Lead – Audit & Risk, including the opportunity for a private meeting with the Committee.**

External Audit

***To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.**

22. To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance.
23. To automatically refer any external auditor's report that has received a qualified opinion for consideration at the next available Full Council meeting.
24. To consider specific reports as agreed with the external auditor.
25. To comment on the scope and depth of external audit work and to ensure it gives value for money.
26. To commission work from internal and external audit.
27. To advise and recommend on the effectiveness of relationships between external and internal audit and other inspection agencies or relevant bodies.

Financial Reporting

28. To approve the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.
29. To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.
30. To take an overview of the Council's Treasury Management Strategy.

Accountability Arrangements

31. To report to those charged with governance on the committee's findings, conclusions and recommendations concerning the adequacy and effectiveness of their governance, risk management and internal control frameworks; financial reporting arrangements, and internal and external audit functions.

***To report to Full Council on a regular basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.**

32. To take an overview of the Council's constitution and assist the Monitoring Officer in reviewing the constitution to ensure it is current and meets the purpose set out in Article 1.

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Report of Scrutiny Committee

1. This report summarises the business considered at the meetings of the Scrutiny Committee held on 18 March 2021 and the Scrutiny Budget and Performance Panel held on 22 March 2021.

Scrutiny Committee – 18 March 2021

Cabinet Member Update: Health and Wellbeing

2. The Deputy Leader of the Council and Cabinet Member for Health and Wellbeing (Councillor Mick Titherington) and the Director of Communities and Assistant Director of Projects (Neil Anderson) presented an update on the work of the portfolio since May 2019.
3. Key priorities for the portfolio included improving employment and economy levels in the borough; increasing activity levels amongst residents; improving air quality; preventing and dealing with homelessness; and improving community safety and resilience.
4. We queried how success is measured within the portfolio and were advised, in response, that many projects can be measured through the level of engagement with residents and statistical data.
5. Business plans were currently being developed and would highlight performance indicators, which would be reported to the Scrutiny Budget and Performance Panel on a quarterly basis from the beginning of the next financial year and we asked that future portfolio reports include more details on how success and performance is measured.
6. Our discussions focused on the beginning of the council's in-house management of leisure centres in the borough and we welcomed the Cabinet Member's assurances that preparations for the transfer were on-track.
7. We queried what differences residents would see as a result of council-managed leisure centres and were told that there would be an increase in facilities, appropriate membership fees and investment into leisure centres that matches private-sector facilities.
8. Assurances that leisure centre staff would be paid the living wage, in line with the council's terms and conditions of employment, were welcomed.
9. We were pleased to receive a commitment to reporting leisure performance and provide regular updates to Scrutiny in the future.
10. In response to our queries, it was confirmed that food hygiene visits were still underway to high-risk premises during the pandemic.
11. We expressed concerns regarding the number of road traffic collisions in South Ribble and we were advised of various schemes and projects in place which help to improve road safety and awareness. We also welcomed confirmation that Speed Indicator Devices (SPIDs) would be rolled out in hotspots in the borough.

12. It was also requested that the council lobbies the Community Safety Partnership and Lancashire County Council to improve street lighting and to end the practice of dimming lights.
13. We commended the Cabinet Member and wider council on the roll-out of the Holiday Hunger Scheme to all schools in the borough.
14. We requested that the Cabinet Member write to the Secretary of State to ask that virtual council meetings be allowed to continue after May 2021, particularly given the improvements this would provide to air quality.
15. We queried how obesity was tackled by the portfolio, particularly amongst children. In response, it was stated that there are specific projects aimed at improving health such as the Active Schools work, community programs and weight management. We suggested that the Community Hubs consider childhood obesity in their areas.
16. The need to review planning policy with regards to the proximity of hot food takeaway restaurants to schools was also raised and we requested a review of planning policy regarding the proximity of hot food takeaways to schools.
17. We thanked the Cabinet Member and the Director of Communities and Assistant Director of Projects for their attendance.

Scrutiny Budget and Performance Panel – 22 March 2021

Quarter 3 (October-December 2020) Performance Monitoring Report 2020-21

18. The Leader of the Council, Chief Executive and Shared Services Lead for Transformation presented a report on the Council's performance against the delivery of the Corporate Strategy projects and objectives during Quarter 3 (October-December 2020).
19. Overall, performance of the projects was good and we commended the council's performance at the end of quarter 3.
20. We queried why delivery of the joint Digital Strategy had not yet commenced and were informed, in response, that resources for the roll-out were still awaited but that IT development remained ongoing in the interim.
21. We sought clarification on the difference between the South Ribble Together Community Hub and My Neighbourhood Community Hubs. It was explained that these are the same and we requested consistency in the use of names and descriptions of the Hubs going forwards.
22. We also queried how the performance of My Neighbourhood Community Hubs would be monitored and it was advised that 7 key indicators had been devised for the Cabinet to monitor. A report would be considered by Cabinet on this in June 2021.
23. We requested further information on the definitions and ways of measuring the number of residents benefitting from opportunities created by the Communities team.
24. We welcomed confirmation that the Community Wealth Building Action Plan would be presented to Full Council in summer 2021.

25. We also requested information on the costs for refurbishing Penwortham Leisure Centre.
26. We expressed slight concern that both of the delayed projects related to the council's green agenda. However, we were assured that a range of activities to promote a green agenda, such as the roll-out of electric vehicle charging points and tree-planting remained underway.
27. We also welcomed the Chief Executive's confidence regarding deliverability of health and safety within the Civic Centre and explanation that there had been fewer near-miss incidents reported due to homeworking practices.

Budget Monitoring 2020-21 Quarter 3

28. The Cabinet Member (Finance, Property and Assets) and the Deputy Director of Finance presented an update on the Council's overall financial position at the end of Quarter 3 of the 2020-21 financial year.
29. We were informed that reasonable progress had been made against several projects and that a net deficit of £9000 was now forecasted for the 2020/21 financial year.
30. We queried the kind of borrowing the council undertakes and were provided with assurances that this did not result in cash debt. Borrowing is only undertaken internally.
31. We welcomed the addition of staff vacancy information within the report and had several queries on the impact of current vacancies in the Planning, Licensing and IT departments.
32. We were also informed that the council's reserves would be reviewed on a quarterly basis going forwards, which was welcomed.
33. Following a query from a member not on the Panel, we requested further information on all Community Infrastructure Levy (CIL) payments made to parish councils within the last seven years.
34. Although we were disappointed that the Capital Programme would not be delivered in 2020/21 based on the total spends, we welcomed the Cabinet Member's confidence that sufficient capacity and resources were now in place for future delivery.
35. We thanked the Cabinet Member and Deputy Director of Finance for their attendance.

Recommendation(s)

36. That Council note the report.

Councillor David Howarth
Chair of the Scrutiny Committee

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