

PART 6

MEMBERS' CODE OF CONDUCT

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MEMBERS' CODE OF CONDUCT

Adopted by Council June 2007

Part 6 - Members' Code
June 2009

Part 1

General provisions

1. Introduction and interpretation

(1) This Code applies to **you** as a member of an authority.

(2) You should read this Code together with the general principles prescribed by the Secretary of State.

(3) It is your responsibility to comply with the provisions of this Code.

(4) In this Code "meeting" means any meeting of:

(a) the authority;

(b) the Executive of the authority;

(c) any of the authority's or its Executive's committees, sub-committees, joint committees, joint sub-committees, or area committees;

"member" includes a co-opted member and an appointed member.

(5) In relation to a parish council, references to an authority's monitoring officer and an authority's standards committee shall be read, respectively, as references to the monitoring officer and the standards committee of the district council or unitary county council which has functions in relation to the parish council for which it is responsible under section 55(12) of the Local Government Act 2000.

2. Scope

(1) Subject to sub-paragraphs (2) to (5), you must comply with this Code whenever you:

(a) conduct the business of your authority (which, in this Code, includes the business of the office to which you are elected or appointed); or

(b) act, claim to act or give the impression you are acting as a representative of your authority;

and references to your official capacity are construed accordingly.

(2) Subject to sub-paragraphs (3) and (4), this Code does not have effect in relation to your conduct other than where it is in your official capacity.

(3) In addition to having effect in relation to conduct in your official capacity, paragraphs 3(2)(c), 5 and 6(a) also have effect, at any other time, where that conduct constitutes a criminal offence for which you have been convicted.

(4) Conduct to which this Code applies (whether that is conduct in your official capacity or conduct mentioned in sub-paragraph (3)) includes a criminal offence for which you are convicted (including an offence you committed before the date you took office, but for which you are convicted after that date).

(5) Where you act as a representative of your authority—

(a) on another relevant authority, you must, when acting for that other authority, comply with that other authority's code of conduct; or

(b) on any other body, you must, when acting for that other body, comply with your authority's code of conduct, except and insofar as it conflicts with any other lawful obligations to which that other body may be subject.

3. General obligations

(1) You must treat others with respect.

(2) You must not:

(a) do anything which may cause your authority to breach any of the equality enactments (as defined in section 33 of the Equality Act 2006);

(b) bully any person;

(c) intimidate or attempt to intimidate any person who is or is likely to be:

(i) a complainant,

(ii) a witness, or

(iii) involved in the administration of any investigation or proceedings,

in relation to an allegation that a member (including yourself) has failed to comply with his or her authority's code of conduct; or

(d) do anything which compromises or is likely to compromise the impartiality of those who work for, or on behalf of, your authority.

(3) In relation to police authorities and the Metropolitan Police Authority, for the purposes of sub-paragraph (2)(d) those who work for, or on behalf of, an authority are deemed to include a police officer.

(4) You must not:

(a) disclose information given to you in confidence by anyone, or information acquired by you which you believe, or ought reasonably to be aware, is of a confidential nature, except where:

(i) you have the consent of a person authorised to give it;

(ii) you are required by law to do so;

(iii) the disclosure is made to a third party for the purpose of obtaining professional advice provided that the third party agrees not to disclose the information to any other person; or

(iv) the disclosure is:

(aa) reasonable and in the public interest; and

(bb) made in good faith and in compliance with the reasonable requirements of the authority;
or

(b) prevent another person from gaining access to information to which that person is entitled by law.

(5) You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute.

(6) You:

(a) must not use or attempt to use your position as a member improperly to confer on or secure for yourself or any other person, an advantage or disadvantage; and

(b) must, when using or authorising the use by others of the resources of your authority:

(i) act in accordance with your authority's reasonable requirements;

(ii) ensure that such resources are not used improperly for political purposes (including party political purposes); and

(c) must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

(7) (1) When reaching decisions on any matter you must have regard to any relevant advice provided to you by

(a) your authority's chief finance officer; or

(b) your authority's monitoring officer,

where that officer is acting pursuant to his or her statutory duties.

(2) You must give reasons for all decisions in accordance with any statutory requirements and any reasonable additional requirements imposed by your authority.

Part 2

Interests

8. Personal interests

(1) You have a personal interest in any business of your authority where either—

(a) it relates to or is likely to affect—

(i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;

(ii) any body—

(aa) exercising functions of a public nature;

(bb) directed to charitable purposes; or

(cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),

of which you are a member or in a position of general control or management;

(iii) any employment or business carried on by you;

(iv) any person or body who employs or has appointed you;

(v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;

(vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);

(vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);

(viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;

(ix) any land in your authority's area in which you have a beneficial interest;

(x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;

(xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer; or

(b) a decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of—

(i) (in the case of authorities with electoral divisions or wards) other council tax payers, ratepayers or inhabitants of the electoral division or ward, as the case may be, affected by the decision;

(ii) (in the case of the Greater London Authority) other council tax payers, ratepayers or

inhabitants of the Assembly constituency affected by the decision; or

(iii) (in all other cases) other council tax payers, ratepayers or inhabitants of your authority's area.

(2) In sub-paragraph (1)(b), a relevant person is—

(a) a member of your family or any person with whom you have a close association; or

(b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;

(c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or

(d) any body of a type described in sub-paragraph (1)(a)(i) or (ii).

9. Disclosure of personal interests

(1) Subject to sub-paragraphs (2) to (7), where you have a personal interest in any business of your authority and you attend a meeting of your authority at which the business is considered, you must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

(2) Where you have a personal interest in any business of your authority which relates to or is likely to affect a person described in paragraph 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose to the meeting the existence and nature of that interest when you address the meeting on that business.

(3) Where you have a personal interest in any business of the authority of the type mentioned in paragraph 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.

(4) Sub-paragraph (1) only applies where you are aware or ought reasonably to be aware of the existence of the personal interest.

(5) Where you have a personal interest but, by virtue of paragraph 14, sensitive information relating to it is not registered in your authority's register of members' interests, you must indicate to the meeting that you have a personal interest, but need not disclose the sensitive information to the meeting.

(6) Subject to paragraph 12(1)(b), where you have a personal interest in any business of your authority and you have made an executive decision in relation to that business, you must ensure that any written statement of that decision records the existence and nature of that interest.

(7) In this paragraph, "executive decision" is to be construed in accordance with any regulations made by the Secretary of State under section 22 of the Local Government Act 2000.

10. Prejudicial interest generally

(1) Subject to sub-paragraph (2), where you have a personal interest in any business of your authority you also have a prejudicial interest in that business where the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice your judgement of the public interest.

(2) You do not have a prejudicial interest in any business of the authority where that business—

(a) does not affect your financial position or the financial position of a person or body described in paragraph 8;

(b) does not relate to the determining of any approval, consent, licence, permission or registration in relation to you or any person or body described in paragraph 8; or

(c) relates to the functions of your authority in respect of—

(i) housing, where you are a tenant of your authority provided that those functions do not relate particularly to your tenancy or lease;

(ii) school meals or school transport and travelling expenses, where you are a parent or guardian of a child in full time education, or are a parent governor of a school, unless it relates particularly to the school which the child attends;

(iii) statutory sick pay under Part XI of the Social Security Contributions and Benefits Act 1992, where you are in receipt of, or are entitled to the receipt of, such pay;

(iv) an allowance, payment or indemnity given to members;

(v) any ceremonial honour given to members; and

(vi) setting council tax or a precept under the Local Government Finance Act 1992.

11. Prejudicial interests arising in relation to overview and scrutiny committees

You also have a prejudicial interest in any business before an overview and scrutiny committee of your authority (or of a sub-committee of such a committee) where—

(a) that business relates to a decision made (whether implemented or not) or action taken by your authority's executive or another of your authority's committees, sub-committees, joint committees or joint sub-committees; and

(b) at the time the decision was made or action was taken, you were a member of the executive, committee, sub-committee, joint committee or joint sub-committee mentioned in paragraph (a) and you were present when that decision was made or action was taken.

12. Effect of prejudicial interests on participation

(1) Subject to sub-paragraph (2), where you have a prejudicial interest in any business of your authority—

(a) you must withdraw from the room or chamber where a meeting considering the business is being held—

(i) in a case where sub-paragraph (2) applies, immediately after making representations, answering questions or giving evidence;

(ii) in any other case, whenever it becomes apparent that the business is being considered at that meeting;

unless you have obtained a dispensation from your authority's standards committee;

(b) you must not exercise executive functions in relation to that business; and

(c) you must not seek improperly to influence a decision about that business.

(2) Where you have a prejudicial interest in any business of your authority, you may attend a meeting (including a meeting of the overview and scrutiny committee of your authority or of a sub-committee of such a committee) but only for the purpose of making representations, answering questions or giving evidence relating to the business, provided that the public are also allowed to attend the meeting for the same purpose, whether under a statutory right or otherwise.

Part 3

Registration of Members' Interests

13. Registration of members' interests

(1) Subject to paragraph 14, you must, within 28 days of—

(a) this Code being adopted by or applied to your authority; or

(b) your election or appointment to office (where that is later),

register in your authority's register of members' interests (maintained under section 81(1) of the Local Government Act 2000) details of your personal interests where they fall within a category mentioned in paragraph 8(1)(a), by providing written notification to your authority's monitoring officer.

(2) Subject to paragraph 14, you must, within 28 days of becoming aware of any new personal interest or change to any personal interest registered under paragraph (1), register details of that new personal interest or change by providing written notification to your authority's monitoring officer.

14. Sensitive information

(1) Where you consider that the information relating to any of your personal interests is sensitive information, and your authority's monitoring officer agrees, you need not include that information when registering that interest, or, as the case may be, a change to that interest under paragraph 13.

(2) You must, within 28 days of becoming aware of any change of circumstances which means that information excluded under paragraph (1) is no longer sensitive information, notify your authority's monitoring officer asking that the information be included in your authority's register of members' interests.

(3) In this Code, "sensitive information" means information whose availability for inspection by the public creates, or is likely to create, a serious risk that you or a person who lives with you may be subjected to violence or intimidation.

EXPLANATORY NOTE

(This note is not part of the Order)

The Order contains a model code of conduct as regards the conduct which is expected of members and co-opted members of relevant authorities in England and police authorities in England and Wales. The Secretary of State has power to issue such a code under section 50 of the Local Government Act 2000. Under section 51 of that Act, each authority must adopt a code of conduct applying to its members and co-opted members which must incorporate any mandatory provisions of the Code. Under section 51(5), where an authority does not adopt such a code within six months of the Order coming into force, the mandatory provisions of the Code will apply to the members of the authority until it adopts its own code.

Article 1 provides that this Order applies to specified authorities in England and police authorities in England and Wales.

Article 2 provides that a model code is set out in the Schedule to the Order, and states which of its provisions are mandatory.

Article 3 disapplies the statutory provisions relating to the National Code of Local Government Conduct and members' interests.

Article 4 revokes—

the Local Authorities (Model Code of Conduct) (England) Order 2001;

the Parish Councils (Model Code of Conduct) Order 2001;

the National Park and Broads Authorities (Model Code of Conduct) (England) Order 2001;
and

the Police Authorities (Model Code of Conduct) Order 2001.

These Orders continue to have effect in relation to misconduct committed before the date

when the new code is adopted or applied to an authority.

Article 4(3) provides that orders made under section 83 of the Local Government Act 1972 shall have effect for the purpose of prescribing the form of a declaration of acceptance of office.

In the **Schedule to the Order**—

Paragraph 1 of the Code provides that the Code applies to any member of an authority and that it is the responsibility of each member to comply with the Code.

Paragraph 2 of the Code provides that the Code applies whenever a member is acting in his or her official capacity, and in relation to conduct in a member's private capacity the code only applies where such conduct has resulted in a criminal conviction. Additionally, where a member is acting as a representative of his or her authority, he or she must continue to observe the authority's code, unless he or she is subject to another relevant authority's code, or unless (in relation to any other body) it conflicts with any other legal obligations.

Paragraph 3 of the Code provides that members must treat others with respect and not do anything which may cause their authority to breach equality legislation, or which compromises the impartiality of those who work for the authority or bully anyone or intimate persons involved in code of conduct cases.

Paragraph 4 of the Code provides that members must not without consent disclose confidential information they have acquired and must not prevent others from gaining access to information to which they are entitled.

Paragraph 5 of the Code provides that a member must not conduct himself or herself in a manner which could bring his or her authority into disrepute.

Paragraph 6 of the Code provides that a member must not use his or her position improperly to gain an advantage or confer a disadvantage and that when using or authorising the use of the authority's resources, he or she must act in accordance with the authority's reasonable requirements, must not permit those resources to be used for political purposes and must have regard to the Local Authority Code of Publicity.

Paragraph 7 of the Code provides that a member must have regard to advice given by the chief finance officer and monitoring officer and must give reasons for decisions made.

Paragraph 8 of the Code provides a list of matters which constitute a personal interest.

Paragraph 9 of the Code provides that generally a member with a personal interest in any business of his or her authority must disclose that interest at any meeting at which the business is considered.

Paragraph 10 of the Code provides that generally a member with a personal interest also has a prejudicial interest if the interest could be regarded by a member of the public as so significant that it is likely to prejudice his or her judgement of the public interest. The paragraph provides that in specified circumstances a member may regard himself as not having a prejudicial interest.

Paragraph 11 of the Code provides that a member who was involved in making a decision or taking action on a matter must not be involved in the overview and scrutiny committee's

consideration of that decision or action.

Paragraph 12 of the Code provides that a member with a prejudicial interest must, unless, for example, he or she is making representations and members of the public are also allowed to make representations on that matter, or he or she has obtained a dispensation, withdraw from any meetings at which the business is being considered, and must not improperly influence decisions in relation to the business.

Paragraph 13 of the Code provides that a member must notify the monitoring officer of his or her personal interests and any change to those interests must also be notified.

Paragraph 14 of the Code provides that a member may notify the monitoring officer of any sensitive information the availability of which to the public creates, or is likely to create, a serious risk that the member or a person who lives with him or her may be subjected to violence or intimidation.

THE GENERAL PRINCIPLES

1. *Selflessness*

Members should serve only the public interest and should never improperly confer an advantage or disadvantage on any person.

2. *Honesty and Integrity*

Members should not place themselves in situations where their honesty and integrity may be questioned, should not behave improperly and should on all occasions avoid the appearance of such behaviour.

3. *Objectivity*

Members should make decisions on merit, including when making appointments, awarding contracts, or recommending individuals for rewards or benefits.

4. *Accountability*

Members should be accountable to the public for their actions and the manner in which they carry out their responsibilities, and should co-operate fully and honestly with any scrutiny appropriate to their particular office.

5. *Openness*

Members should be as open as possible about their actions and those of their authority, and should be prepared to give reasons for those actions.

6. *Personal Judgement*

Members may take account of the views of others, including their political groups, but should reach their own conclusions on the issues before them and act in accordance with those conclusions.

7. *Respect for Others*

Members should promote equality by not discriminating unlawfully against any person, and by treating people with respect, regardless of their race, age, religion, gender, sexual orientation or disability. They should respect the impartiality and integrity of the authority's statutory officers, and its other employees.

8. *Duty to Uphold the Law*

Members should uphold the law and, on all occasions, act in accordance with the trust that the public is entitled to place in them.

9. *Stewardship*

Members should do whatever they are able to do to ensure that their authorities use their resources prudently and in accordance with the law.

10. *Leadership*

Members should promote and support these principles by leadership, and by example, and should act in a way that secures or preserves public confidence.

PROTOCOL ON MEMBER/OFFICER RELATIONS

PROTOCOL ON MEMBER/OFFICER RELATIONS

1. INTRODUCTION

- 1.1 The relationship between Councillors and officers is an essential ingredient of the successful working of the organisation. This relationship is characterised by mutual respect and trust. Councillors and officers should feel free to speak to one another openly and honestly. Nothing in this Protocol is intended to change this relationship. The purpose of this Protocol is rather to help Councillors and officers to perform effectively by giving guidance on their respective roles and expectations and on their relationship with each other. The Protocol also gives guidance on what to do on the rare occasions when things go wrong. All Members and officers should operate in compliance with the protocol. Responsibility for upholding the protocol rests with Group Leaders in relation to elected Members and with the Chief Executive and Corporate Director of Resources (as Monitoring Officer).
- 1.2 The Protocol must be read and operated in the context of any relevant legislation, and the Code of Conduct for members and staff. If members or officers are in any doubt about issues they should seek advice from either the Chief Executive or Corporate Director of Resources.
- 1.3 References in this protocol to Chief Officers are to the Chief Executive, Corporate Directors and Service Directors and Heads of Service and other non-administrative officers reporting directly to Corporate Directors.

2. ROLES OF COUNCILLORS AND OFFICERS

- 2.1 The respective roles of Councillors and officers can be summarised as follows:

Councillors and officers are servants of the public and they are indispensable to one another. But their responsibilities are distinct. Councillors are responsible to the electorate and serve only so long as their term of office lasts. Officers are responsible to the Council. Their job is to give advice to Councillors and to the authority, and to carry out the authority's work under the direction and control of the Council, the Executive and relevant committees etc. Officers are accountable to the Head of the Paid Service, who is the Chief Executive.

Mutual respect between Councillors and officers is essential to good local government.

- 2.2 Councillors

Councillors have four main areas of responsibility:

- (a) determining the policy of the authority and giving it political leadership;
- (b) monitoring and reviewing the performance of the authority in implementing that policy and delivering services;
- (c) representing the authority externally; and
- (d) acting as advocates on behalf of their constituents.

It is not the role of Councillors to involve themselves routinely in the day-to-day management of the authority's services. They should not seek to give instructions to officers outside their areas of responsibility or terms of reference of their Committee.

2.3 Members of the Executive, Chairs and Vice-Chairs

Members of the Executive and Chairs and Vice-Chairs of Scrutiny and Area Committees and other bodies have additional responsibilities. Although they may have different relationships and more regular contact these Councillors must still respect the impartiality of officers, must not ask them to undertake work of a party political nature, or to do anything which would prejudice that impartiality.

2.4 Opposition Councillors

As individual Councillors, all Councillors have the same rights and obligations in their relationship with officers and should be treated equally. This principle is particularly important in the context of the work of Scrutiny Committees.

2.5 Officers

The role of officers is to give advice and information to Councillors and to implement the policies determined by the authority.

Certain officers, e.g. Chief Executive and the Corporate Director of Finance and Corporate Director of Resources have responsibilities in law over and above their obligations to the authority and to individual Councillors. Councillors must respect these obligations, must not obstruct officers in the discharge of these responsibilities, and must not victimise officers for discharging these responsibilities.

3. EXPECTATIONS

3.1 Councillors can expect from officers:

- (a) A commitment to the authority as a whole, and not to any political group;
- (b) A working partnership;
- (c) An understanding of and support for respective roles, workloads and pressures;
- (d) Timely response to enquiries and complaints in accordance with agreed standards;
- (e) Professional advice, not influenced by political views or preference;
- (f) Regular, up-to-date information on matters that can reasonably be considered appropriate and relevant to their needs, having regard to any individual responsibilities that they have and positions that they hold;
- (g) Awareness of and sensitivity to the political environment;
- (h) Respect, dignity and courtesy;
- (i) Training and development in order to carry out their roles effectively;

- (j) Integrity, mutual support and appropriate confidentiality;
- (k) Not to have personal issues raised with them by officers outside the agreed procedures;
- (l) That officers will at all times comply with the relevant Code of Conduct;
- (m) Support for the role of Councillors as the local representatives of the authority.

3.2 Officers can expect from Councillors:

- (a) A working partnership;
- (b) An understanding of and support for respective roles, workloads and pressures;
- (c) Political leadership and direction;
- (d) Respect, dignity and courtesy;
- (e) Integrity, mutual support and appropriate confidentiality;
- (f) Not to be subject to bullying or harassment. Councillors should have regard to the seniority and experience of officers in determining what are reasonable requests, having regard to the powerful relationship between Councillors and officers, and the potential vulnerability of officers, particularly at junior levels;
- (g) That Councillors will not use their position or relationship with officers to advance their personal interests or those of others or to influence decisions improperly;
- (h) That Councillors will not publicly name officers or make detrimental remarks about officers during public meetings;
- (i) That Councillors will at all times comply with the relevant Code of Conduct.

3.3 Limitations upon behaviour

The distinct roles of Councillors and officers necessarily impose limitations upon behaviour. By way of illustration and not as an exclusive list:

- (a) Close personal relationships between Councillors and officers can confuse these separate roles and get in the way of the proper discharge of the authority's functions, not least in creating the perception in others that a particular Councillor or officer may secure advantageous treatment;
- (b) The need to maintain the separate roles means that there are limits to the matters on which they may seek the advice of officers, both in relation to personal matters and party political issues;
- (c) Relationships with particular individuals or party groups should not be such as to create public suspicion that an employee favours that Councillor or group

above others. The issue of officer attendance and advice to political groups is specifically covered below.

4. PROVISION OF INFORMATION

4.1 Requests for written information

- (a) Councillors should be provided with adequate information about services or functions upon which they may be called upon to make or scrutinise decisions, or which affect their constituents. In the normal course of events this information will be made routinely available by officers in the form of reports, departmental plans etc. Members are encouraged to make use of existing sources of information wherever possible. This paragraph does not apply to draft reports.
- (b) In addition, any Councillor may ask the relevant Chief Officer for factual information about a service. These requests will be met where the Councillor has a legal right to the information. If that right arises under the Freedom of Information Act, the Councillor shall not be required to make a formal FOI request. All such information should be provided within 10 working days of the date of receipt of the request. In circumstances where this is not practical, the Officer shall write to the Councillor within 10 days explaining why not and provide an alternative time scale.
- (c) Written information supplied to a Councillor regarding the implications of **current** Council policies or containing statistical information about Council services shall also be copied to the relevant Executive member.
- (d) The Leader of the Council or Leader of any of the other political groups may request the Chief Executive or the relevant Corporate Director, or other designated officer to prepare reports on matters relating to the authority for consideration by the group. Such requests must be reasonable and should not seek confidential information relating for instance to casework or personal details of applicants for services. Wherever possible, but subject to any overriding legal requirements, such requests will be met. However, if the officer considers that the cost of providing the information, or the nature of the request is unreasonable, the request will be referred to the Chief Executive for determination, where necessary in consultation with the Leaders of the political groups.
- (e) Officer reports to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Reports will not deal with any political implications of the matter or any option, and officers will not make any recommendation to a political group.

4.2 "Briefings"

- (a) In order for them to discharge their responsibilities as Executive members, administration portfolio holders will be briefed by Chief Officers on service issues, proposals and policy development. Chief Officers may from time to time nominate other officers to attend these meetings. These informal meetings may be on a one of or regular basis, in accordance with the requirements of the Councillor concerned and will be in addition to the more formal monthly meetings between the Corporate Management Board ("CMB") and the

Executive which are known as “Joint Board”. These meetings consider, among other things, the matters which will eventually come for formal Executive decision. They are held in private and their agendas and reports are not made available either to the public or the Opposition Party.

- (b) The Opposition group has also nominated portfolio leads and if those leads so request, the relevant Chief Officers will make themselves available to meet with them to brief them on service issues. The Opposition may, if they wish, request the Chief Executive to convene a joint meeting of the Opposition portfolio holders and CMB once the Executive agenda has been published in order to brief the opposition on the matters arising from it. The Leader of the Opposition shall give the Chief Executive at least one week’s notice of any request unless the meetings are prearranged on a standing basis.
- (c) The content of these informal briefing sessions shall remain confidential as between officers and the political group concerned.

4.3 “News” items

- (a) When an event or development occurs in the borough which has or will have a significant impact on the Council or Islington residents, the Chief Executive will ensure that the Leaders of both political groups are informed as soon as possible.

4.4 Ward Councillors

- (a) Chief Officers will ensure that ward Councillors are given information relevant to their ward on a regular basis. As well as letting ward members know when there has been a specific incident in their ward, ward members should be routinely notified about the following types of issue:

- Public consultation events affecting their wards;
- Proposed changes to services sited within their wards;
- Proposed significant traffic management orders;
- Proposed anti-social behaviour dispersal orders.

- (b) Ward Councillors shall be invited to public events, such as openings, festivals etc, in their wards. Such invitations shall be extended on a non party political basis. The Communications Department will advise members where possible of photo shoots taking place in their wards.

4.5 Officer Attendance at Group Meetings

- (a) The Leader of the Council or Leader of any of the other political groups may ask the Chief Executive or relevant Corporate Director, or other designated officers to give or arrange a private and confidential briefing for the party group on a matter of relevance to the Council;
- (b) Any briefing offered to or requested by a party group will be offered to the other party groups. Where possible such briefings should be to all or a combination of party groups;

- (c) No officer of the Council shall attend any political group meeting which includes non-Council members;
- (d) Officers' advice to political groups will be limited to a statement of material facts and identification of options and the merits and demerits of such options for the authority. Advice will not deal with any political implications of the matter or any option, and officers will not make any recommendation to a political group.

5. WHEN THINGS GO WRONG

5.1 Procedure for officers

From time to time the relationship between Councillors and officers may break down or become strained. Whilst it will always be preferable to resolve matters informally, through conciliation by an appropriate senior manager, officers can have recourse to the Chief Executive, as appropriate to the circumstances. Officers also have recourse to the Council's Whistleblowing Procedure or can refer the matter to the Standards Committee if they consider that a Councillor has broken the Code of Conduct.

5.2 Procedure for Councillors

In the event that a Councillor is dissatisfied with the conduct, behaviour or performance of an officer, the matter should be raised with the appropriate Corporate Director. Where the officer concerned is a Corporate Director, the matter should be raised with the Chief Executive. Where the employee concerned is the Chief Executive, the matter should be raised with the Corporate Director of Resources.

No disciplinary action in respect of the Chief Executive, the Monitoring Officer (Corporate Director of Resources) or the Corporate Director of Finance may be taken other than in accordance with a recommendation in a report made by a designated independent person as set out in the Council's Constitution.

6. UNION ACTIVITIES/REPRESENTATIVES

- 6.1 Officers may well belong to a trade union and/or political party. The mere fact of such membership will not of itself put an officer in breach of this protocol. However, they are nevertheless under a duty whilst carrying out their Council duties to abide by the officers' Code of Conduct and treat members in a professional and impartial manner.
- 6.2 Those officers who are union representatives may have a number of different relationships with members. Whenever those relationships arise from their position as union representatives of Council staff, the provisions of this code will still apply.
- 6.3 Union representatives shall be entitled to speak to the press directly about matters on which they or the union as a whole has an interest.

PUBLICITY PROTOCOL

PUBLICITY PROTOCOL

1.0 MEDIA RELATIONS

1.1 Introduction

Islington is a high profile local authority and attracts a lot of media attention. The council's Communications Team is here to advise and support councillors and officers and to maintain and improve the council's corporate reputation by leading the development, implementation and delivery of an effective media relations service for the council. Islington's Communications Team is based in the Town Hall, Room G12 and can be reached on 020 7527 2307.

Islington Council's Media Relations Procedures and Protocols offer guidance for officers and councillors. The information below is a summary of the legal position and the relationship between officers and councillors, but please refer to the procedures and protocols document in full for more information. Copies can be obtained by calling the media office on the number above. For further advice on any topic contact the media manager on x3376. The telephone number of the out-of-hours duty media officer is 07826 904467.

1.2 The Legal Position

The media is a channel for communicating with Islington Council's many varied stakeholders and has a strong influence over how people view the council and its services. It is therefore crucial that media communications is managed effectively and with due regard for the legal restrictions that the whole council, led by the media office, must work under and be clear about.

Publicity issued by a local authority is subject to a number of constraints imposed by section 2 of the Local Government Act 1986 (as amended) and the Recommended Practice on Local Authority Publicity issued under section 4 of that Act. The Code was amended in 2001 to reflect the changes made to local authority arrangements, in particular, the creation of the Executive as a body distinct from the rest of the Council.

All council publicity should have regard to the whole of the Code.

The overarching principle contained in section 2 is that no publicity must be issued by a local authority which "appears to be designed to affect support for a particular political party". As well as refraining from issuing such material itself, a local authority must not give anyone else financial assistance to publish such material.

In deciding whether this principle is breached, account will be taken of the content and style of the material, the time when it is issued, and whether or not it refers to a particular party or person identified with it, or whether it promotes or opposes a point of view that is politically controversial.

The following guidelines on the legal position are taken from the Code and also reflect the legislative requirements.

1.3 General guidelines to be followed.

When communicating through any channel it is necessary to remember that the main purposes of local authority communications are to:

- (a) increase public awareness of the services provided by the authority and the functions it performs;
- (b) allow local people to have a real and informed say about issues that affect them;
- (c) explain to electors and ratepayers the reasons for particular policies and priorities;
- (d) promote council funded events, facilities and services with the aim of encouraging attendance and use;
- (e) in general to improve local accountability and protect the reputation of the council.

1.3.1 All council communications should be informative rather than persuasive and should be: objective, factual, balanced, accurate and clearly explain the reasons for the council's views i.e. tying in views with agreed council strategies and policies.

1.3.2 In particular, where publicity is given to a policy or programme which has received funding from sources other than the council's mainstream budget – for example, funding from Central Government for particular projects (including support from the Neighbourhood Renewal Fund through the Islington Strategic Partnership), grants from National Lottery distribution bodies or from other sources, due acknowledgment should be made in associated publicity.

1.3.3 The Code says that where publicity is used to comment on, or respond to, the policies and proposals of central government, other local authorities or other public authorities, the comment or response should be objective, balanced, informative, and accurate. Such comments tend to be particularly controversial and open to interpretation as party political. Therefore there should be a presumption the council should not make comment on the policy of another public body unless the Monitoring Officer or Chief Executive believes that to be proper. If such comment is to be issued members from all political groups, and group offices, must be informed in advance.

1.3.4 The Code says that legitimate concern is caused by the use of public resources for some forms of campaigns which are designed to have a persuasive effect. Publicity campaigns can provide an appropriate means of ensuring that the local community is properly informed about a matter relating to a function of the local authority and about the authority's policies in relation to that function and the reasons for them. But local authorities, like other public authorities, should not use public funds to mount publicity campaigns whose primary purpose is to persuade the public to hold a particular view on a question of policy.

1.3.5 Councils must not issue publicity which may affect public support for a political party or which promotes individual councillors. However it will be appropriate to provide publicity and media communications support to individual councillors when they are representing Islington Council and promoting the council's agreed policies, for example, executive members and chairs of area and other committees. The Local Government Act 1986 states that the publicity may be unlawful if it promotes or opposes a point of view that is identifiable as the view of one political party and not of another.

- 1.3.6 The code says that publicity should not be, or be liable to misrepresentation, as being, party political. Whilst it may be appropriate to describe policies put forward by an individual councillor which are relevant to her/his position and responsibilities within the council, and to put forward her/his justification in defence of them, this should not be done in party political terms, using political slogans, expressly advocating policies of those of a particular political party or directly attacking policies and opinions of other parties, groups or individuals.
- 1.3.7 It is therefore not advisable for communications staff to liaise with the offices of the political parties represented on the Council about press releases, campaigns or other media initiatives, except as referred to in paragraph 1.3.3 above or 1.5 below. Contact with councillors is by virtue of the post they hold or the ward they represent.
- 1.3.8 Particular attention and judgement need to be exercised when communicating with the media as part of a wider communications campaign, which could appear to be designed to affect support for a political party or its policies. Communications staff should take particular care that council communications are not politically controversial. While there is no majority group, Communications staff should ensure that the views of all Councillors are reflected in media stories. This could be done by prompting journalists to speak to a range of councillors, providing contact details for relevant opposition and independent councillors and other appropriate means.
- 1.3.9 Publicity refers to any communication, in whatever form, addressed to the public at large or to a section of the public. Legal Services should be contacted for clarification.
- 1.3.10 The Code says that material touching on politically controversial issues should be distributed unsolicited only where there is a strong case for letting a particular group of people have information of direct concern to them and no other equally efficient and effective means can be found and that local authority newspapers or information bulletins are a special case. They are often a cost-effective means of disseminating information, but they may touch on controversial issues. If they do, they should treat such issues in an objective and informative way, bearing in mind the principles in the Code.
- 1.3.11 Particular care needs to be taken in the run up to local and general elections and for specific guidelines in respect of the pre-election period see 3 below.

1.4 Media Protocols for Officers and Councillors

The following basic principles cover most situations:

- (a) No officer of Islington Council (with the exception of the Heads of either political group office) should proactively or reactively speak directly to the media without prior consultation with the Communications team, or write or disseminate information intended for publication on behalf of or claiming to be representing Islington Council without prior consultation with the Communications team. (For information on union representatives, see the Protocol on Member/Officer Relations in Part 5)
- (b) The practice when identifying appropriate spokespeople for the council is that when the subject is about policy or is politically controversial it will be the relevant councillor. The Code says that all publicity should be objective and explanatory,

and whilst it may acknowledge the part played by individual councillors as holders of particular positions in the council, personalisation of issues or personal image making should be avoided.

- (c) If the subject is technical or operational it will be the relevant officer. (For more detail on which councillors act as spokespeople for council policies and committees, refer to information in the remainder of this section).

1.5 Councillors

The Media Relations Procedures and Protocols do not restrict an elected councillor's prerogative to issue their own media releases, in the name of, and via their party political office. Likewise, councillors are free to speak directly with the media. Councillors should be clear whether they are commenting on behalf of the council, themselves or their party.

Where a media representative requests an interview with a specific councillor through the Communications Team, the Communications Team will give out the agreed public contact details. This may be the relevant political office. The Communications Team will also try and contact councillors to make them aware of the media interest. Again this could be through the relevant political office.

1.6 Executive Members

Executive members may be asked to give interviews to the media in respect of matters which have been decided by the Executive or which fall within their portfolios. They may be featured in individual publicity where it is relevant to their portfolios and provided that the principles set out in 1.2 and 1.3 are adhered to.

1.7 Area, Audit, Licensing, Overview and Review and Standards Committees

These committees take important decisions and a great many of these directly affect people's lives, which reinforces the need for factual, objective, accessible and accurate information to be disseminated to the public through the media. The Communications Team will publicise the work of the Area, Audit, Overview and Review and Licensing and Standards committees by conveying factual information on key decisions and reasons (in line with the council's policies in these areas) for decisions taken at the committees.

The appropriate council spokespeople for the Area, Audit, Overview and Review, Licensing and Standards committees are the chairs of those committees. The chairs of the committees should be quoted in all media materials and should approve any quote on any issues pertaining to their committees. The chairs should have final approval on all written media materials pertaining to their committees. This is regardless of their political party or whether they are members of the opposition.

There may be times when members of these committees disagree with each other. If necessary the media office will convey information on processes such as outcomes and details of votes but will not disseminate information on the nature of disagreements between members of the Area, Audit, Licensing and Standards committees.

The Communications Team will not feature individual members in publicity about the Area, Audit, Overview and Review and Licensing and Standards committees except where they represent the Area, Audit, Licensing and Standards committees in a formal capacity such as the chair.

1.8 Opposition and Ward Councillors

There may be occasions when the Communications Team will receive requests for opposition members to speak to the media on a story and/or issue. There might also be occasions when it is necessary or appropriate for the Leader of the Opposition and/or the Green Party and independent members to speak to the media. Where publicity is given to a council project or initiative which affects a particular area, community or neighbourhood, the relevant ward's councillors should normally be invited to attend launches and photo calls organised by the Council; they should be contacted either directly using their published contact details or via the Mayor and Members' secretariat. The provisions of the Code will apply to any comment by a Councillor included in any council-issued press statement.

The Communications Team will advise all councillors on media relations but cannot support councillors on media relations in respect of views which do not reflect council policies or that affect public support for a political party or the promotion of individual councillors.

1.9 Group Offices

Heads of Group offices should ensure that their names do not appear in external publications (as contact names) and that political office facilities are not made available to non-council members, whether for campaigning or otherwise.

If staff are unsure as to whether they should or should not be doing particular areas of work they should check with the Head of Democratic Services or the Corporate Director of Resources.

1.10 The Mayor

The Mayor is the first citizen of the London Borough of Islington and represents all citizens in the borough irrespective of party lines whilst in office. The Mayor and the Deputy Mayor represent Islington Council at many civic and ceremonial events in the London Borough of Islington and elsewhere.

Where capacity in the Communications Team to assist and support the Mayor's office is limited, priority will be given to those events that most closely tie in with council's strategic objectives and priorities and to those that most closely meet the main purposes of local authority communications (as set out in 1.3).

2.0 USE OF COUNCIL RESOURCES FOR PUBLICITY OR OTHER POLITICAL PURPOSES

2.1 The functions of the council are derived from statute and are discharged by the council corporately. This means that individual councillors (who, as a body make up the council) can only use council resources for the purposes of the council's functions.

- 2.2 Councillors may use council resources for carrying out their duties as members of the council, including:
- (a) individual casework on behalf of the constituents;
 - (b) those arising out of their membership of committees, sub-committees, working parties and other council bodies;
 - (c) those arising out of their position as chair of a committee or sub-committee;
 - (d) as the appointed council representative on external bodies.

2.3 The council can provide resources (such as stationery, secretarial services, communication facilities and transport) to enable councillors to carry out their duties as members of the council.

2.4 However, councillors must ensure that those resources are used strictly for their duties as members of the council and for no other purpose, for example individual publicity or for publicising their political party or publicity campaigns designed to affect support for their or another political party. The Code of Conduct for Members prohibits the use of council resources improperly for party political purposes. It requires members to have regard to the Code and to act in accordance with the council's reasonable requirements.

No circular letters written by any councillors using council resources either in their 'production or in their distribution' should be sent out. Any information that needs to be communicated to the public in relation to council business will be done by an appropriate officer.

2.5 If members needed any assistance with determining what would be considered lawful or unlawful they should contact Louise Round, Corporate Director of Resources on ext 3174, Debra Norman the Director of Legal Services on ext. 6096 or Peter Fehler the Assistant Director of Law - Corporate and Dispute Resolution on ext. 3126.

3. PUBLICITY AND EVENTS PRIOR TO AN ELECTION

3.1 The rules contained in this section are designed to ensure that the council is seen to be abiding by statutory requirements and the Code of Practice on Local Authority Publicity during the period leading up to elections, whether they are local, GLA or national elections, and in doing so to protect the council's reputation. **The sensitive pre-election period starts when notice of election is given.** Although the provisions of the Code do not strictly apply until notice of an election has been given, the legal rules do and so extra care should be taken in relation to any communications issued or events organised in the weeks leading up to the pre-election period and advice should be sought in cases of doubt.

3.2 The Code states that the period between the notice of an election and the election itself "should preclude proactive publicity in all its forms of candidates and other politicians involved directly in the election. Publicity should not deal with controversial issues or report views, proposals or recommendations in such a way that identifies them with individual members or groups of members."

3.3 Publicity has a very wide meaning in this context and covers leaflets, publications, news releases, media statements, verbal quotes provided to journalists, web communication, newsletters either published by the council or published by the council

together with its partners. These should therefore not quote or name any candidate in the election, or refer to political parties or controversial policies associated with them, during this period and a Corporate Director or anonymous spokesperson response should be provided to any media request for quotes.

- 3.4 Under the Code it is possible for the Mayor or members holding key political positions to comment in an emergency or where there is a genuine need for member level response to an important event outside the authority's control. However, where there is a genuine need for a member level response all communication will have to be cleared with the Corporate Director of Resources or her representative.
- 3.5 The rules also apply to events which may be seen to give a candidate for an election, or a particular party, public exposure, such as where they are asked to open a nursery, for example. This means that no events may be organised to take place during the pre election period at which a person who is a candidate in the election will be asked formally to appear or speak. Special care should be taken in respect of any publication or event featuring politicians, even if they are not candidates, and advice should be sought in cases of doubt.
- 3.6 These rules do not prevent candidates making use of council rooms during this period. Indeed under section 96 of the Representation of the People Act 1983, the authority is obliged to make rooms in schools and other public meeting rooms available free of charge to candidates in the election. This duty applies between the last day on which notice of the election may be published in accordance with election rules and the day before the day of the election. In complying with this duty, no distinction may be made between candidates of different parties. The electoral registration officer holds a list of all the rooms to which this duty applies.
- 3.7 If assistance is needed in ensuring these rules are complied with, advice can be obtained from the Corporate Director of Resources, the Director of Legal Services or the Assistant Director of Law - Corporate and Dispute Resolution.

COUNCILLOR CALL FOR ACTION PROTOCOL

Councillor Call for Action Protocol

Introduction

1. The Councillor Call for Action (CCfA) Protocol is designed as a formal means whereby councillors can refer to an overview & scrutiny committee any local government matter in their ward which is of significant community concern. Referral to an overview and scrutiny committee is a measure of last resort once other approaches have been exhausted.
2. A local government matter is defined in legislation¹ as one which:
 - (a) Relates to the discharge of any function of the authority;
 - (b) Affects all or part of the electoral area for which the referring member is elected or any person who lives or works in the area; and
 - (c) Is not an excluded matter. Excluded matters are matters (as defined in Regulations²) relating to:
 - (i) the formulation or implementation of the council's crime and disorder strategy;
 - (ii) a planning decision;
 - (ii) a licensing decision;
 - (iii) an individual or entity where that individual or entity has a statutory right to a review or appeal other than to the ombudsman;or which are:
 - (iv) vexatious, discriminatory or not reasonable to be included in the agenda for, or to be discussed at, a meeting of the Overview Committee or a Review Sub-committee.unless the matter consists of an allegation that a function of the Council has not been discharged at all or that its discharge has failed or is failing on a systematic basis.
3. A crime and disorder matter is defined in legislation³ as one which concerns:
 - (a) crime and disorder (including anti-social behaviour or other behaviour adversely affecting the local environment; or
 - (b) misuse of drugs, alcohol and other substances.
4. The matter must directly affect all or part of the ward for which the councillor is elected, or any person who lives or works in that ward.

¹ Section 119 of the Local Government and Public Involvement in Health Act 2007.

² Overview and Scrutiny (Reference by Councillors) (Excluded Matters) (England) Order 2008

³ Section 19 Police and Justice Act 2006.

5. Crime and disorder matters must be referred to the Council's "crime and disorder committee". In Islington the Overview Committee has been designated the crime and disorder committee.
6. The CCfA is not an appropriate route for:
 - (a) Raising individual complaints, for which the Council's corporate complaints procedure should be followed;
 - (b) Scrutinising matters of wider Council policy;
 - (c) Questioning decisions which have been taken but not yet implemented by the Executive; or
 - (d) Seeking to resolve urgent matters, in view of the time which may be needed for the committee to assess the initial referral and then investigate the matter if it agrees to do so

Referral Procedure

7. In Islington matters referred as a CCfA will be referred to the Overview Committee. Prior to referring a matter as a CCfA a Councillor must have tried to resolve the matter themselves using the other mechanisms and resources available to them at ward level. Councillors must have regard to any government guidance issued and should:
 - (a) Ensure that the relevant Council department and/or any partner organisation has been informed of the issue and been given enough time to resolve it.
 - (b) Ensure that this is not an issue that is currently being or should be pursued via the council's complaints process.
 - (c) Ascertain whether or not the matter is being investigated through any other local scrutiny mechanism such as the Local Involvement Network.
8. If the matter is still not resolved the Councillor can refer it to the Overview Committee as a 'Councillor Call for Action'. To avoid delays in the referral process, all referrals will be made on the CCfA request form on page 190. This will ensure that the necessary information to enable the applicability of the Protocol to be confirmed and to enable the matter to be put before Overview will be provided at the outset.
9. The referral form will be received by the Head of Democratic Services who will log it to track its progress and assess whether the matter is covered by this Protocol. The Monitoring Officer shall be responsible for determining whether a matter is required to be referred to the Overview Committee under this protocol.
10. Referrals approved by the Monitoring Officer will then be included on the next available agenda of the relevant Overview Committee. It will up to the members of the committee to decide whether or not to take the matter further.

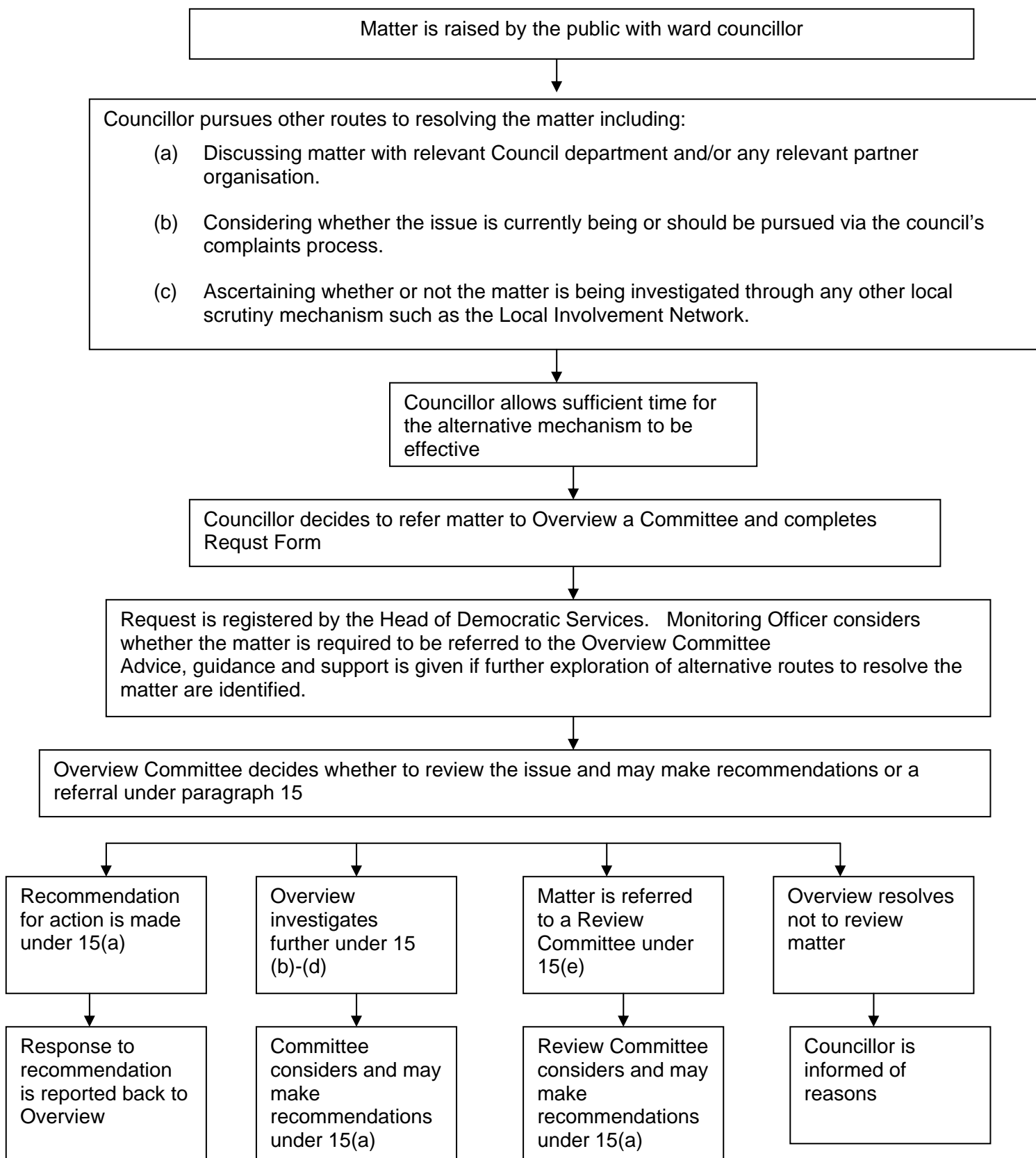
Considering the CCfA

11. The referring Councillor and other Councillors representing the same ward will be invited to attend a meeting at which the CCfA is discussed, in order to make representations and answer questions. The relevant Executive member and senior officer will also be invited if appropriate.
12. In deciding whether or not to take the matter further the committee will consider:
 - (a) Actions already taken by the Councillor in relation to the matter; and
 - (b) Representations made by the member as to why the committee should take the matter up.
13. The criteria the committee will use to decide whether or not to take the matter further include:
 - (a) Is the committee satisfied that reasonable attempts at a resolution have been made by the ward councillor?
 - (b) Has the committee considered a similar issue recently and, if so, have the circumstances or evidence changed.
 - (c) Has the relevant service or partner agency been informed and been given enough time to resolve the issue and, if so, what response the Councillor has received.
 - (d) Is the matter currently being looked at by another form of local scrutiny such as the Local Involvement Networks?
14. If the committee decides not to take further action in respect of the referral it must inform the Councillor and explain why.
15. If the committee decides to accept the referral it must decide how it intends to take the matter further it may:
 - (a) Make an immediate report or recommendations to:
 - (i) the Executive or other relevant council body;
 - (ii) the Corporate Director of the relevant Council department; or
 - (iii) to any relevant partner organisation or other local organisation;
 - (b) Request further information or evidence from the ward councillor;
 - (c) Ask officers to look into the matter and report back;
 - (d) Invite other local stakeholders to give evidence to a future meeting; or
 - (e) Refer the matter to a Review Panel to undertake a more in depth review.

Overview or a Review Committee may make recommendations as provided for in 13 (a) following consideration by them under 15 (e)

16. If the matter is referred under 15 (a) (i) or (ii) the relevant body or person shall report back to the Overview Committee indicating any action that has been or is intended to be taken in respect of the recommendation, normally within 2 months, and in the case of a crime and disorder matter shall take the report or recommendation into account in exercising their functions.
17. Once the committee has completed its work on the referral the member who made the referral will receive a copy of any report or recommendations made in relation to it.
18. In the case of a crime and disorder matter:
 - (a) A copy of any report or recommendations under 15(a)(i) or (ii) above shall also be provided to the chief officer of police, the police and fire authorities, the probation board and the primary care trust (“the Council’s crime and disorder partners”).
 - (b) If a report or recommendation is made to one of the Council’s crime and disorder partners under 135(a)(iii) that partner will be notified that they are required to
 - i. consider the report or recommendations and to respond to the committee indicating what action, if any, it propose to take, normally within one month; and
 - ii. have regard to the report or recommendations in exercising their functions.

LONDON BOROUGH OF ISLINGTON
SUMMARY OF THE PROPOSED PROCEDURE FOR COUNCILLOR
CALL FOR ACTION



Councillor Call for Action Referral Form

If you wish the Overview Committee to consider a Call For Action in your ward you should complete this form and submit it to the Head of Democratic Services.

Before submitting this form you must:

- (a) Ensure that the relevant Council department and/or any partner organisation has been informed of the issue and been given enough time to resolve it.
- (b) Ensure that this is not an issue that is currently being or should be pursued via the council's complaints process.
- (c) Ascertain whether or not the matter is being investigated through any other local scrutiny mechanism such as the Local Involvement Network.

Your Contact details:

Name:

Address:

Telephone:

E-mail:

The Authority and Ward you represent:

Title of your Call for Action:

Date of Submission:

Would you like the opportunity to speak to the Committee? Yes/No

Please give a brief synopsis of your Call for Action:

What evidence do you have in support of your Call for Action:

Which areas or community groups are affected by your Call for Action?

How have you already tried to resolve the Issue

Is the Call for Action currently the subject of legal action by any party (to your knowledge) or is being examined by a formal complaints' process?

Are there any deadlines associated with the Call for Action of which the Overview Committee needs to be aware?

Received by.....on.....

FINANCIAL REGULATIONS

FINANCIAL REGULATIONS

- 1: INTRODUCTION
- 2: FINANCIAL MANAGEMENT
- 3: REVENUE EXPENDITURE
- 4: CAPITAL EXPENDITURE
- 5: EXTERNAL ARRANGEMENTS
- 6: TREASURY MANAGEMENT
- 7: DISPOSALS
- 8: RISK MANAGEMENT
- APPENDIX A: FINANCIAL PROCEDURES AND CONTROLS ON AREA COMMITTEE BUDGETS

1 INTRODUCTION

1.1 Like all local authorities the London Borough of Islington is required by law to conduct its business efficiently and to ensure that it has sound financial management policies in place that are strictly adhered to. Part of this process is the establishment of Financial Regulations that provide the framework for managing the Authority's financial affairs. The regulations apply to every Member and officer of the Authority and anyone acting on its behalf.

1.2 The regulations identify the financial responsibilities of the Council, Executive, and Scrutiny Members, the Chief Executive, Monitoring Officer, Corporate Director of Finance, Corporate Directors and organisations acting on behalf of the Authority.

1.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

1.4 The Corporate Director of Finance is responsible for maintaining a continuous review of the Financial Regulations and submitting any additions or changes to the full Council for approval. The Corporate Director of Finance is also responsible for reporting, where appropriate, breaches of the Financial Regulations to the Council and/or Executive Members.

1.5 Corporate Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the Authority's Financial Regulations and other internal regulatory documents and that they comply with them.

1.6 It may be considered a disciplinary offence if any officer fails to comply with these Financial Regulations. Employees and Members have a duty to report apparent breaches of the Financial Regulations to an appropriate senior manager and the Head of Internal Audit, either of whom should report the breach to Corporate Director of Finance and the Monitoring Officer.

2 FINANCIAL MANAGEMENT

INTRODUCTION

2.1 Financial management covers all financial accountabilities in relation to the running of the Authority, including the policy framework and budget.

2.2 The Council's decision making structure and a comprehensive listing of responsibilities of officers and committees is contained within the Constitution. Where officers have specific financial responsibilities these are set out in the remaining sections of part 2 to the Financial Regulations, the Scheme of Authorisation, and The Islington Finance Information Manual (TIFIM).

THE FULL COUNCIL

2.3 The full Council is responsible for:

- adopting the Council's constitution (including the Financial Regulations) and Members' code of conduct
- approving the policy framework and budget within which the Executive operates
- approving procedures for recording and reporting decisions taken including those key decisions delegated by and decisions taken by the Council and its committees. These delegations and details of who has responsibility for which decisions are set out in the constitution
- approving the setting and revision of the prudential indicators as defined under the Prudential Code.

THE EXECUTIVE

2.4 The Executive is responsible for:

- proposing the policy framework and budget to the full Council
- discharging Executive functions in accordance with the policy framework and budget
- proposing the setting and revision of the prudential indicators, as defined under the Prudential Code, to the full Council
- reviewing the budget from time to time during the year and taking any such action as is deemed necessary
- to co-ordinate and control all the council's financial planning arrangements including forward plans, the capital plans and the annual budget process, including business or service plans

COMMITTEES OF THE COUNCIL WITH SPECIFIC FINANCIAL RESPONSIBILITIES

AUDIT COMMITTEE

2.5 The Audit Committee is the body responsible for governance, other than Member conduct issues which are the responsibility of the Standards Committee. It has right of access to all the information it considers necessary and can consult directly with internal and external auditors. The Committee is responsible for reviewing the external auditor's reports and advising the annual audit letter; internal audit's reports; and approving the annual statement of accounts.

CORPORATE DIRECTOR OF RESOURCES (ALSO THE MONITORING OFFICER)

2.6 The Corporate Director of Resources' financial responsibilities are:

- ensuring that procedures for recording and reporting key financial decisions are operating effectively
- ensuring that Council Members are aware of financial decisions made by the Executive and of those made by officers who have delegated Executive responsibility
- maintaining an up-to-date Constitution
- advising all Councillors and officers about who has authority to take a particular financial decision
- advising the Executive or full Council about whether a decision is likely to be considered contrary to the policy framework
- advising (together with the Corporate Director of Finance) the Executive or full Council whether a financial decision is likely to be considered contrary to or not wholly in accordance with the budget. Actions that may be 'contrary to the budget' include but are not limited to:
 - committing to expenditure in future years that exceeds budgeted amounts in the Council's medium term financial strategy
 - implementing interdepartmental budget transfers that exceed virement limits

CORPORATE DIRECTOR OF FINANCE (CHIEF FINANCE OFFICER AND SECTION 151 OFFICER)

2.7 The Corporate Director of Finance has statutory duties in relation to the financial administration and stewardship of the Authority. This statutory responsibility cannot be overridden. The statutory duties arise from:

- Section 151 of the Local Government Act 1972
- The Local Government Finance Act 1988
- The Local Government and Housing Act 1989
- The Accounts and Audit Regulations 2003
- The Local Government Act 2003

2.8 The Corporate Director of Finance is responsible for:

- the proper administration of the Authority's financial affairs
- setting and monitoring compliance with financial management standards
- advising on the corporate financial position and on the key financial controls necessary to secure sound financial management
- advising on the robustness of the budget and the adequacy of the authority's reserves
- providing financial information
- preparing the revenue budget and capital programme
- treasury management

2.9 Section 114 of the Local Government Finance Act 1988 requires the Corporate Director of Finance to report to the full Council, Executive and external auditor if the Authority or one of its officers:

- has made, or is about to make, a decision that involves incurring unlawful expenditure
- has taken, or is about to take, an unlawful action that has resulted or would result in a loss or deficiency to the Authority
- is about to make an unlawful entry in the Authority's accounts

2.10 Section 114 of the 1988 Act also requires:

- the Corporate Director of Finance to nominate a properly qualified member of staff to deputise should he or she be unable to perform the duties under section 114 personally and that person is the Director of Financial Management
- the Authority to provide the Corporate Director of Finance with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out the duties under section 114

2.11 Section 25, part 2 of the 2003 Act requires:

- the Authority to take into account the Corporate Director of Finance's report on the robustness of the budget and the adequacy of the Authority's reserves in deciding on its annual budget and Council Tax level
- the Authority to monitor its budgets during the year, and consider what action to take if a deterioration in the financial position is identified

2.12 Section 30 of the 2003 Act provides for rapid remedial action if the Authority faces serious financial difficulties and the Corporate Director of Finance has made a formal report to that effect.

CORPORATE DIRECTORS

2.13 Corporate directors are responsible for:

- ensuring that financial implications are provided for all proposed decisions and that the Corporate Director of Finance has agreed the financial implications
- signing contracts on behalf of the Authority up to the limits described in the Procurement Rules

2.14 It is the responsibility of corporate directors to consult with the Corporate Director of Finance and seek approval on any matter liable to materially affect the Authority's finances, before any commitments are incurred.

OTHER FINANCIAL ACCOUNTABILITIES

SPENDING POWERS

2.15 No decision making body within the Council shall incur revenue or capital expenditure for which the Council does not have statutory powers or in respect of which that decision making body does not have delegated authority. All reports submitted to the Executive which propose expenditure shall be referred to the

Corporate Director of Resources who shall be satisfied that the Council has the statutory powers under which the expenditure will be incurred.

COMMITMENTS INTO FUTURE YEARS

2.16 All decisions to incur expenditure, whether for capital or revenue purposes, must take account of the impact of that expenditure in the current and future financial years.

2.17 All the Authority's decision making bodies must be informed of the implications for future years of spending decisions.

2.18 Where decisions will lead to levels of expenditure in future years that exceed budgeted amounts in the Council's medium term financial strategy, the source of funding in future years must be identified.

2.19 Proposals to enter spending commitments which will lead to growth in future years, may, if the source of funding has not been identified, only be taken by the Executive. Where the Corporate Director of Resources and/or Corporate Director of Finance considers that such spending would be contrary to or not wholly in accordance with the Budget, such a decision may only be taken by full Council.

3 REVENUE EXPENDITURE

REVENUE BUDGET SETTING

3.1 The Corporate Director of Finance is responsible for the co-ordination of budget preparation, including the issue of budget preparation guidance and standardisation of the basis for the presentation of budgets.

3.2 A meeting of the Executive shall at an appropriate time in each municipal year review the process and timetable for the budget process relating to the following year.

3.3 Annual revenue account estimates shall be prepared by Corporate Directors in consultation with the Corporate Director of Finance and be submitted to the Executive in accordance with the procedures and timetable agreed under paragraph 3.2 above.

3.4 The Corporate Director of Finance shall present an annual net budget report to the Executive in order to inform its proposals in relation to the Council's budget requirement and Council Tax for the following financial year. The report shall set out the requirements under the Local Government Finance Act 1992 in regard to the setting of the budget requirements and the council tax and shall be presented at such time as to allow the Executive time in which to draw up proposals for the Budget in accordance with the timescales laid down in Budget and Policy Framework Rules set out in Part 4 of this constitution and any legal requirements as to the latest date upon which a Council is entitled to set its budget. The report shall include a Medium Term Financial Strategy for the Council in accordance with the Prudential Guidelines on Local Authority Commitments issued by the Audit Commission.

3.5 When the Council is making the statutory calculations required to determine its council tax then in accordance with section 25 of the Local Government Act 2003 the Corporate Director of Finance must report to Council on the following matters:

- the robustness of the proposed budget
- the adequacy of the Council's reserves for which the budget provides

The Council must take the Corporate Director of Finance's report into account when making the calculations.

3.6 The Executive shall submit the estimates of the amounts to be aggregated in making the budget and Council tax calculations required by the Local Government Finance Act 1992 to the Council before 11th March in any financial year. The Council shall then set the overall budget for the following financial year including the approved budget for each department.

REVENUE BUDGET MONITORING AND CONTROL

3.7 Each Corporate Director, Service Director and Head of Service shall be responsible for monitoring and controlling his/her budget to ensure expenditure is contained within his/her net budget as set by Council.

3.8 The key controls for managing and controlling the revenue budget are:

- budget managers should be responsible only for income and expenditure that they can influence
- there shall be a nominated budget manager for each cost centre heading
- budget managers shall accept accountability for their budgets and the level of service to be delivered and understand their financial responsibilities
- budget managers shall follow an approved certification process for all expenditure
- income and expenditure must be properly recorded and accounted for
- performance and service levels shall be monitored in conjunction with the budget and necessary action will be taken to align service outputs and budget
- in order to assist them in carrying out their responsibilities and to help ensure sound financial governance, Executive Members shall regularly meet to discuss budget monitoring reports relevant to their portfolio areas with Corporate Directors

3.9 The Executive shall receive a report at least eight times a year setting out in respect of each department the projected income and expenditure for the relevant financial year, and variances, if any, from the agreed departmental budgets. Such reports must include details of action being taken to contain projected net overspends within agreed budgets, shall report to the Executive on the same basis the overall financial position of the Council, and shall recommend any action required to ensure the Council's expenditure does not exceed its resources. The Executive shall receive a report at least four times a year setting out all corporate risks and informing Executive Members of progress in risk management.

3.10 If any department is showing a projected overspend then provided the Executive is satisfied that appropriate steps are being taken to contain or reduce such an overspend, the Executive shall have the authority to authorise such an overspend provided that it will not, at the end of the financial year, lead to the Council's overall approved revenue budget being exceeded. If the projected overspend exceeds the

overall approved budget then full Council approval is required for any use of General Fund balances outside of movements agreed in the approved budget.

REVENUE BUDGET VIREMENTS

3.11 Variations to the budget approved by Council, subject to their being no increase in the Authority's net budget requirement, will be permissible in the circumstances set out below.

3.12 Where an adjustment is to or from a budget intended for allocation during the year, its allocation will not be treated as a virement provided that the amount is used in accordance with the purpose for which it was established.

Additional Third Party Funding

3.13 The creation of budgets following the receipt of any third party funding not anticipated in the budget report, such as specific grant funding that does not increase the Council's approved net budget must be approved by the relevant Corporate Director and the Corporate Director of Finance. These budget changes will be reported to the Executive.

Technical Adjustments

3.14 The Corporate Director of Finance is authorised to adjust budgets where such changes are required under local authority accounting codes of practice (e.g. internal recharges for support services, capital charges, FRS17 adjustments etc.) or where the budget adjustment reflects a previously approved decision (e.g. transfer from reserves). Such adjustments shall be included in the budget monitoring reports submitted to the Executive under paragraph 3.9 above.

Intra-Departmental Virements

3.15 All transfers within a department that fall into any of the following categories are classified as intra departmental virements:

- a) Budget transfers within a cost centre that transfer expenditure budgets between employees' pay and non-pay headings;
- b) All transfers between Service Divisions within a department.

3.16 Subject to the restrictions and definitions above, the responsibility for approving intra departmental virements is as follows: -

- a) Corporate Directors are allowed to approve virements less than £250,000 within or between individual Service Divisions within their departments. The Corporate Director of Finance should also be notified of any such virements when approved by the relevant Corporate Director.
- b) For sums of £250,000 to £500,000 Corporate Directors should seek additional approval from the Corporate Director of Finance. All virements exceeding £500,000 must additionally be referred to the Executive for final approval before the budget is transferred in to the new area.

3.17 All intra-departmental virements will be reported by the Corporate Director of Finance to the Executive within three months of being actioned.

Inter-Departmental Virements

3.18 An inter-departmental virement is a budget transfer from one department to another. All such virements must be approved by the relevant Corporate Directors and Corporate Director of Finance.

3.19 Virements with a value exceeding £500,000 must also be approved by the Executive before the virement is processed.

3.20 All inter-departmental virements will be reported by the Corporate Director of Finance to the Executive within three months of being actioned.

3.21 Increased expenditure arising in the following categories shall be deemed not to be a virement nor will budget movements in these areas require the agreement of the Council or the Executive.

a) Salaries, wages and pensions increases arising from nationally negotiated decisions and variations in contributions under the National Insurance and Superannuation Acts;

b) Interest rate movements or other similar financing factors;

c) Payments made as a result of any court order (other than an order made by consent);

d) Budget amendments made during the course of the year for capital charges, support services and other instances that have no overall net budget impact on the Council's revenue or capital accounts, as appropriate.

Contingency Allocations

3.22 The allocation of the Council's revenue contingency budgets shall be recommended by the Executive Member for Finance to the Executive who shall have the authority to agree such allocations up to the value of the available contingency budget.

TREATMENT OF YEAR-END BALANCES

3.23 The Executive is responsible for agreeing specific sums to be carried forward provided that carrying forward these sums does not lead to the approved overall budget being exceeded at the end of the financial year in which they accrued. The Corporate Director of Finance is responsible for agreeing the release of these specific sums in subsequent years and reporting those movements to the Executive.

EARMARKED RESERVES

3.24 The Corporate Director of Finance may, on consideration of the overall financial position of the Council, recommend to the Executive the creation of an earmarked reserve. The Corporate Director of Finance is responsible for agreeing any technical

adjustments to the reserves and for agreeing any other adjustments to and from reserves that do not exceed £500,000. Any other movements to and from such a reserve that exceed £500,000 shall be reported to the Executive.

DEBT WRITE-OFFS

3.25 All debt write-offs must be in accordance with this section:

- i) The appropriate Corporate Director has authority to write-off debt of up to £20,000 per individual case
- ii) The appropriate Head of Service or Service Director is able to write off debt of up to £5,000 per individual case if authorised in accordance with Appendix 3 of the Constitution;
- iii) The Corporate Director of Finance is able to write-off individual debts up to £199,999.
- iv) Executive authority is required in order to write off individual debts of £200,000 or more.
- v) Write-offs will be reported to the Executive and Audit Committee on a quarterly basis starting in January 2010.

FEES & CHARGES AND OTHER INCOME

3.26 The Corporate Director of Finance in consultation with Corporate Directors shall maintain adequate arrangements to ensure:-

- i) the proper recording of all sums due to the Council; and
- ii) the prompt and proper accounting of all cash, including its collection, custody, control and deposit.

3.27 Every sum received by a cashier or officer of the Council shall be immediately acknowledged by the issue of an official receipt.

3.28 In preparing the budget for the year ahead, the assumption will be made in the Medium Term Financial Strategy that all discretionary fees and charges will increase in line with the Council's policy on fees and charges, as set out each year in the revenue budget report.

ACCOUNTING POLICIES

3.29 The Corporate Director of Finance is responsible for selecting accounting policies and ensuring that they are applied consistently.

THE ANNUAL STATEMENT OF ACCOUNTS

3.30 The Corporate Director of Finance is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local

Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC) (the SORP) and CIPFA Best Value Accounting Code of Practice (BVACOP). The Audit Committee is responsible for approving the annual statement of accounts in accordance with the statutory timetable as set out in the Accounts and Audit Regulations 2003.

TAXATION

3.31 The Corporate Director of Finance is responsible for advising Corporate Directors, in the light of guidance issued by appropriate bodies and relevant legislation as it applies, on all taxation issues that affect the Authority.

3.32 The Corporate Director of Finance is responsible for maintaining the Authority's tax records, making all tax payments, recovering tax credits and submitting tax returns by their due date as appropriate.

4. CAPITAL EXPENDITURE

DEFINITIONS

Capital Allowance: the total of the Council's past and planned expenditure on Affordable Housing and Regeneration schemes which the Council has resolved should constitute the Council's Capital and Social Homebuy Allowances pursuant to Local Authorities (Capital Finance and Accounting) England) Regulations 2003 (as amended).

Capital Programme: the programme of Capital Schemes to be carried out during the life of the Council's Medium Term Financial Strategy ("MTFS").

Capital Scheme: an individual project or series of linked projects.

Capital Contingency: a sum set aside at the beginning of each financial year to cater for unforeseen requirements.

Corporate Capital Resources: all capital resources that the Council has discretion over spending: namely, capital receipts, any unsupported borrowing that the Council decides to undertake and any (non HRA) revenue contribution the Council wishes to make to capital investment.

Departmental Allocation: the total value of the schemes contained in the Capital Programme which fall within the responsibility of any particular department.

Reserve List: a list of those capital schemes identified by the Council as being schemes which may be implemented in lieu of the Capital Schemes within the Capital Programme.

Slippage: the process of recognising delays in expenditure on Capital Projects and reprofiling of budgets and resources to later years to reflect changes to the anticipated expenditure on Capital Schemes in each year.

CAPITAL BUDGET SETTING

4.1 The Corporate Director of Finance is responsible for the co-ordination of budget preparation, including the issue of budget guidance and standardisation of the basis for presentation of budgets.

4.2 The Executive will, on consideration of the annual budget making report from the Executive Member for Finance, make recommendations to the Council regarding the Capital Programme. The Executive may also recommend the Reserve List.

4.3 The report from the Executive Member for Finance will consider the total capital resources available to Council, including any proposed prudential borrowing, the revenue implications of the proposed capital expenditure and the Capital Allowance over the life of the capital Medium Term Financial Strategy.

4.4 The Council, having considered the recommendations of the Executive shall determine the overall level of the Capital Budget, the Capital Programme, the Reserve List and the Capital Allowance.

SPENDING ON CAPITAL SCHEMES

4.5 No expenditure or commitment on a capital scheme or project shall take place unless:-

- i) that scheme was included in the approved Capital Programme or Reserve List; or
- ii) It has been approved by the Executive in accordance with 4.24 (or Chief Executive (in consultation with the Corporate Director of Finance) in circumstances where in her/his view to delay any decision would seriously prejudice the Council's or the public interest and it is not practical to convene a quorate meeting of the Executive); or
- iii) Approval has been given by the relevant Corporate Director in accordance with 4.6 and 4.26 below; and
- iv) the appropriate procedures for the inviting and acceptance of tenders have been followed, as set out in the Council's Procurement Rules.

4.6 There shall be delegated to the Corporate Director of Finance the authority to incur expenditure up to and including £150,000 in any one case on and subject to the resources being available on the following areas:

- i. Financial assistance to housing associations.
- ii. Advances under the Council's house purchase scheme, subject to such limits as the Council may impose from time to time.
- iii. Acquisitions of interest in land, provided that where the land in question is within an area which is the subject of a resolution by the Executive for compulsory purchase under any enactment, the Corporate Director of Finance shall have authority to authorise the acquisition of such interest whether by

agreement or under compulsory purchase powers without financial limit, but subject to all necessary consents and approval.

- iv. An overspend on a Capital Scheme that cannot be covered within the existing Capital Programme where the total approved over-spend on one or more schemes in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1%.

4.7 The Executive may change the capital programme to reflect alterations in overall resource assumptions, or unforeseen spending requirements, or in light of the monitoring reports referred to above, provided that such changes do not lead to a change in the Capital Programme by more than £1,000,000, subject to the resources being available.

4.8 For clarity, the acquisition of land or buildings is considered capital expenditure and will be subject to the Financial Regulations governing Capital Expenditure.

CHANGES TO CAPITAL BUDGETS

4.9 Where the nature and content of a Capital Programme commitment agreed by Council in the Budget report is materially varied, the procedures for approving capital virements shall apply even if the financial commitments remain within agreed expenditure limits. What constitutes materially varied shall be decided by the monitoring officer.

SLIPPAGE

4.10 The Corporate Director of Finance shall, provided he is satisfied as to the underlying circumstances, be entitled to approve slippage up to £1,000,000 for each Capital Scheme in the following circumstances:

- i. delays as a result of planning procedures / conditions / objections
- ii. failure to procure required contractors
- iii. loss of key personnel on a capital scheme
- iv. dependency on other overrunning projects
- v. delays as a result of external factors over which the Council cannot be reasonably considered to have any control
- vi. changes to the cash-flow of a Capital Scheme that does not alter the operational delivery of the project

4.11 In all other circumstances, slippage requests must be approved by the Executive.

4.12 Following any slippage approved by the Corporate Director of Finance, the resultant Capital Programme must be reported to the Executive.

OVERSPENDS

4.13 In calculating expenditure for the purposes of assessing whether or not a scheme is within the approved budget for that scheme, related costs by way of fees and professional charges and all other incidental costs shall be included. This should be considered across the total cost of the scheme and not restricted to any one year.

4.14 Where monitoring reports indicate that the level of spending on one or more Capital Schemes in the current year will exceed the level of provision for those schemes then the responsible Corporate Director shall develop an action plan to contain or reduce such overspend, including, where appropriate, seeking virement approval.

4.15 Where the total cost of a scheme or project appears likely to exceed the sum allocated to that scheme, the responsible Corporate Director may authorise such overspend up to £75,000 provided that the overspend does not lead to the total capital expenditure in that Department to exceed the relevant Departmental Allocation for the year.

4.16 Any such authorisation must be reported to the Corporate Director of Finance.

4.17 Any such authorisation that exceeds £75,000 or cannot be contained within the relevant Departmental Allocation must be reported to the Corporate Director of Finance who may authorise the overspend to be contained in the Capital Programme where appropriate. Where the overspend cannot be contained within the Capital Programme, the Corporate Director of Finance may authorise an over spend as long as the total approved over-spends in any one financial year does not increase the overall budget for the Capital Programme by more than 0.1% and subject to the resources being available.

4.18 Any such authorisation that increases the overall budget for the Capital Programme by more than 0.1% must be approved by the Executive. In addition, overspends which exceed 10% of the sum allocated to a Capital Scheme must be approved by the Executive

4.19 The Executive may vary the capital programme if necessary to contain such an overspend. Council approval is required for overspends that increase the Capital Programme by more than £1,000,000, subject to the resources being available.

UNDERSPENDS

4.20 In calculating expenditure for the purposes of assessing whether or not a scheme is within the approved budget for that scheme, related costs by way of fees and professional charges and all other incidental costs shall be included.

4.21 Where monitoring reports indicate that the level of spending on one or more schemes in the current year will be below the amount allocated to a department, the responsible Corporate Director may agree the inclusion of additional schemes within the current year's programme. The inclusion of these additional schemes is on the basis that:

- i) the additional schemes have been approved as part of the Capital Programme or Reserve List
- ii) the capital virement rules have been complied with

- iii) the Corporate Director of Finance is satisfied that there are sufficient capital resources available to fund the existing Capital Programme

CAPITAL VIREMENTS AND TECHNICAL ADJUSTMENTS

4.22 The following limits shall apply to capital virements:

- i. Corporate Director(s) are allowed to approve virements of up to £500,000 between Capital Schemes.
- ii. For sums above £500,000 approval should be sought from the Corporate Director of Finance.
- iii. All sums greater than £1,000,000 must be approved by the Executive or the Council if the virement alters Departmental Allocations.

4.23 All capital virements and technical adjustments must be reported to the Corporate Director of Finance.

OTHER CHANGES TO THE CAPITAL BUDGET

4.24 Subject to the resources being available the Executive may change the capital programme to reflect alterations in overall resource assumptions, or unforeseen spending requirements, or in light of the monitoring reports referred to above, provided that such changes do not lead to a change in the Capital Programme of more than £1,000,000.

4.25 The allocation of the council's Capital Contingency shall be recommended to the Executive who shall have the authority to agree such allocations.

4.26 Any changes to capital funding (for example an earmarked, departmental capital grant) that do not result in an increase in available Corporate Capital Resources may be approved by the relevant Corporate Director and reported to the Corporate Director of Finance. Additionally, any changes greater than £500,000 must be approved by the Corporate Director of Finance.

CAPITAL BUDGET MONITORING CONTROL AND REPORTING

4.27 Corporate Directors are responsible for monitoring progress on all capital schemes within their departments and for reporting to the Corporate Director of Finance on the delivery of the capital programme and any predicted overspend that exceeds 10% of the budget for an individual scheme or 5% of a Departmental Allocation.

4.28 The Executive shall receive a report at least eight times a year setting out in respect of each department the projected capital expenditure for the relevant financial year, and variances, if any, from the agreed Departmental Allocations.

5 EXTERNAL ARRANGEMENTS

ACCOUNTABLE BODY AND PARTNERSHIP ARRANGEMENTS

5.1 A Partnership Arrangement is an arrangement between the Council and one or more other bodies or persons to achieve objectives of the Council and at least one of the other parties which involves one or more of the following:

- sharing of risk in relation to the subject matter of the arrangement
- joint planning and decision-making such as joint commissioning
- joint delivery of services
- sharing of resources

but which is not a contract for the provision by one party to another of a supply, service or works in exchange for a fee or other consideration.

5.2 Exercise of a function that would confer accountable body status on the Authority or would result in a Partnership Arrangement with another body must be approved in writing by the Corporate Director of Finance or approved by the Executive.

5.3 The Executive is responsible for approving delegations, including frameworks for partnerships. The Executive is the focus for forming partnerships with other local public, private, voluntary and community sector organisations to address local needs. Where functions are delegated, the Executive remains accountable for them to the Full Council.

5.4 The Corporate Director of Finance must be informed, and written approval obtained, before entering into any proposed accountable body or partnership arrangement. Corporate Directors must provide to the Corporate Director of Finance (unless he/she confirms in writing this is unnecessary in the particular case):

- i. evidence of scheme appraisal for financial viability in both the current and future years;
- ii. a risk appraisal including a management action schedule and a statement setting out the internal control framework;
- iii. confirmation of funding streams, the level on contribution and how they have been determined;
- iv. evidence of the funding agreement, including the treatment of any under or overspending;
- v. in the case of a partnership arrangement, details of service continuation proposals upon expiry;
- vi. evidence of the financial viability of any partners;
- vii. details of any performance/output standards that must be achieved and who will monitor them;
- viii. details of the agreed audit arrangements;

- ix. the protocol for any disputes;
- x. the arrangements put in place for the review of inflation and efficiency saving; and
- xi. which assets will be used and who will own them.

5.5 In addition Corporate Directors must:

- i. ensure that all statutory accounting requirements are identified and that adequate accounting arrangements are agreed in order to ensure that all expenditure and income is properly incurred/received and recorded;
- ii. maintain a register of all arrangements entered into with external bodies and ensure that agreements and arrangements are properly recorded; and
- iii. ensure that such arrangements do not impact adversely upon other services provided by the Council.

5.6 Where a partnership arrangement includes a pooled budget the Corporate Director of Finance must be notified of:

- i. who will be the lead and host authority;
- ii. who will be the pooled budget manager; and
- iii. the provisions of the agreement.

5.7 The Monitoring Officer and Corporate Director of Finance are responsible for promoting and maintaining the same high standards of conduct with regard to financial administration in partnerships that apply throughout the Authority.

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

EXTERNAL FUNDING

5.9 When seeking or bidding for external funding, including grants, Corporate Directors must ensure that the objectives of the funding programme are consistent with the Council's objectives and priorities.

5.10 Corporate Directors must also ensure that the receipt of any external funding does not lead to a resource commitment in future years that does not have a sustainable funding source. The Corporate Director of Finance must be advised of any such arrangements prior to entering into the same.

5.11 Corporate Directors responsible for expenditure funded wholly or partly by central government and or other external bodies/partners must ensure that:

- i. all funding notified by external bodies is received and properly recorded in their accounts;
- ii. the match funding requirements are considered prior to entering into agreement and that future revenue budgets reflect these requirements;
- iii. service output targets/requirements can be met and that adequate arrangements are put in place for their monitoring and reporting;
- iv. any audit requirements are met;
- v. any other conditions associated with the funding are achievable and complied with.

WORK FOR THIRD PARTIES

5.12 The Executive is responsible for approving the contractual arrangements for any work for third parties or external bodies where those contracts exceed the financial thresholds above which officers may not award contracts, as set out in the Constitution and the Procurement Rules.

5.13 The Corporate Director of a department that is entering into contractual arrangements to work for a third party or external body shall be responsible for ensuring that:

- i. appropriate insurance arrangements are made;
- ii. all potential risks are identified and actions to mitigate these risks put in place
- iii. wherever possible, payment is received in advance of the delivery of the service
- iv. such contracts do not impact adversely upon the services provided by the Council
- v. proper contractual documentation is maintained
- vi. proper accounting and reporting arrangements exist

GRANTS TO OUTSIDE BODIES

5.14 Grants may be awarded by the Council under various statutory powers; for example Section 25 of the Local Government Act 1988 allows the provision of financial assistance to individuals in connection with housing needs.

5.15 Grants must be distinguished from contracts and it is essential that officers entering into grant arrangements carefully consider whether or not the Council wishes to enter into contractual relations with the recipient of money from the Council.

5.16 Where grants are to be given, the Council must ensure that the organisation in receipt of the grant adheres to the conditions attached to the grant.

5.17 It is essential that officers who administer grants ensure that there is a proper system in place to ensure that the Council is gaining value for money through its grant process. This includes having a robust monitoring, evaluation and reporting structure in place.

5.18 Grants must be paid into a UK bank account, the records relating to which the Council must be able to inspect.

5.19 Corporate Directors must ensure that adequate controls are included in all procedures to safeguard the Council, its resources and its assets from fraud or loss.

6 TREASURY MANAGEMENT

6.1 The Authority's borrowings and investments comply with the CIPFA Code of Practice on Treasury Management in Public Services and with the Authority's Treasury Management Policy Statement, and its Annual Investment Strategy:

- i) The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code) 2001 as described in section 4 of that Code
- ii) Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:
 - a) a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities
 - b) suitable treasury management practices (TMP), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.
- iii) The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year, and an annual report after its close, in the form prescribed in its TMP.
- iv) Responsibility for the implementation and monitoring of its treasury management policies and practices is delegated to the Executive and the execution and administration of treasury management decisions to the Corporate Director of Finance. That Director will act in accordance with the organisation's TMPS and TMP and CIPFA's Standard of Professional Practice on Treasury Management.

6.2 The responsibilities of the Corporate Director of Finance in relation to treasury management and banking will include:

- i) To arrange the borrowing and investments of the Authority in such a manner as to comply with the CIPFA Code of Practice on Treasury Management in Public Services, the Authority's TMPS and the Annual Investment Strategy required under the Local Government Act 2003.

Treasury management activities are defined as:

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

To report on treasury management activities to the Executive and Council in compliance with the CIPFA Code and Guidance on Local Authority Investments issued by the Secretary of State.

ii) To operate bank accounts as are considered necessary – opening or closing any bank account shall require the approval of the Corporate Director of Finance.

6.3 The responsibilities of the Corporate Director of Finance in relation to investments and borrowing will include:

- i) To ensure that all investments of money are made in the name of the Authority or in the name of nominees approved by the full Council.
- ii) To ensure that all securities that are the property of the Authority or its nominees and the title deeds of all property in the Authority’s ownership are held in the custody of the appropriate Director.
- iii) To effect all borrowings in the name of the Authority.
- iv) To act as the Authority’s registrar of stocks, bonds and mortgages and to maintain records of all borrowing of money by the Authority.

7 DISPOSAL AND ACQUISITION OF NON LAND ASSETS

DISPOSAL OF NON LAND ASSETS WITH A MARKET VALUE LESS THAN £50,000

7.1 Materials, plant, machinery, fittings, equipment, stocks or stores which by reason of damage, wear or obsolescence are no longer serviceable for the purposes for which they are held or are surplus to requirements may be disposed of, provided that where any item or any part of it has a resale value:

- i) prior to disposal, approval is obtained from the relevant Corporate Director or other person authorised by the Corporate Director, in accordance with Part 3 Paragraph 8.7 and Appendix 3 of the Constitution.
- ii) the item or part item is sold in the best available market and at the best price that can be reasonably obtained.
- iii) following the disposal the Corporate Director of Finance is notified which asset has been disposed of and the level of receipts generated where this exceeds £10,000.

7.2 Before the disposal of any leased asset Corporate Directors shall, notify the Corporate Director of Finance in writing so that the terms of the lease may be examined.

DISPOSAL AND ACQUISITION OF ALL NON LAND ASSETS WITH A MARKET VALUE EXCEEDING £50,000

7.3. Where the estimated market value of non land assets exceeding £50,000 is proposed then authority for its disposal must be given by the Executive.

DISPOSAL AND ACQUISITION OF LAND ASSETS

7.4 The powers of the Executive, Corporate Director of Finance and Director of Financial Governance and Transformation to acquire and dispose of land and real property are set out in Part 3 and Appendix 3 of the Constitution.

LEASES

7.5 The powers of the Executive, Corporate Director of Finance and Director of Financial Governance and Transformation to acquire and dispose of land and real property are set out in Part 3 and Appendix 3 of the Constitution

7.6 Corporate Directors will ensure that the Council does not enter into leases without first obtaining the consent of the Corporate Director of Finance and, if applicable, approval of the relevant scheme in the capital programme.

7.7 Corporate Directors will provide the Corporate Director of Finance with details of all current leases and agreements under which the council incurs any financial liability or obtains any financial gain.

8 RISK MANAGEMENT AND CONTROL OF RESOURCES

INTRODUCTION

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

RISK MANAGEMENT

8.2 The Corporate Director of Finance is responsible for the Authority's risk management policies and for promoting them throughout the Authority.

8.3 The Audit Committee will review any risk management issues that arise out of its review of the work of the internal and external auditors.

INSURANCE

8.4 The Corporate Director of Finance is responsible for effecting any necessary insurance cover and negotiating all claims with insurers.

8.5 Corporate Directors, Service Directors and Heads of Services should give prompt notification to the Corporate Director of Finance of the extent and nature of all new risks to be insured and of any alterations affecting insurable risks.

8.6 Corporate Directors, Service Directors and Heads of Services should immediately notify the Corporate Director of Finance in writing, of any loss, liability or damage covered by insurance in connection with their service.

INTERNAL CONTROL

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

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

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

AUDIT REQUIREMENTS

8.10 The Accounts and Audit Regulations 2003 require every local authority to maintain an adequate and effective internal audit.

8.11 The Audit Commission is responsible for appointing external auditors to each local Authority.

8.12 The basic duties of the external auditor are governed by section 15 of the Local Government Finance Act 1982, as amended by section 5 of the Audit Commission Act 1998.

8.13 The Authority may, from time to time, be subject to audit, inspection or investigation by external bodies such as HM Revenue and Customs, who have statutory rights of access.

PREVENTING FRAUD AND CORRUPTION

8.14 The Corporate Director of Finance is responsible for the development and maintenance of an anti-fraud and anti-corruption policy.

ASSETS AND SECURITY

8.15 Corporate Directors should ensure that records and assets are properly maintained and securely held. Corporate Directors should also ensure that

contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

8.16 The Corporate Director of Finance shall agree maximum limits for cash holdings and shall not be exceeded without his/her express permission.

8.17 The Corporate Director responsible for the Technology Solutions Group (TSG) shall agree with Corporate Directors and other persons involved, the degree of privacy of the information held on corporate computerised systems. The Corporate Director (TSG) shall then be responsible for maintaining proper security and the agreed degree of privacy of the information held in order to comply with the Data Protection Act 1998. Corporate Directors shall be responsible for maintaining proper security and the appropriate degree of privacy of information in accordance with the Councils ICT Security Policy Framework.

BANKING ARRANGEMENTS

8.18 The Corporate Director of Finance is responsible for making arrangements with the Council's bankers and National Girobank, concerning opening of bank accounts.

8.19 All payments on behalf of the Council other than petty cash payments will be made by

- i) Cheques drawn on bank accounts opened with the authority of the Corporate Director of Finance for any particular establishment of the Council under the control of the nominating Director; or
- ii) Bankers automated clearing services order direct to the recipient's personal account; or Direct debit, the mandate for which must be signed by two of the officers of the Finance Service authorised by the Council to sign cheques; or
- iii) CHAPS transfer direct to the recipients account by one of the named officers authorised by the Corporate Director of Finance
- iv) Debit cards including e.g. purchase cards in accordance with procedures approved by the Corporate Director of Finance.
- v) Any other electronic payment method approved by the Corporate Director of Finance.

8.20 All monies received for or/on behalf of the Council shall be paid promptly and intact into the appropriate accounts.

APPENDIX A: FINANCIAL PROCEDURES AND CONTROLS ON AREA COMMITTEE BUDGETS

1. Introduction

- 1.1. These regulations form an appendix to the Financial Regulations in the Constitution.
- 1.2. This document should be read alongside the Terms of Reference of Area Committees, which contains the delegation of certain Executive functions to the Area Committees.

2. Allocation Process

- 2.1. The budget for each Area Committee will be allocated through the annual budget setting process as part of the Authority's overall budget and ratified by full Council.
- 2.2. The budget for each Area Committee will be equally divided amongst the Ward Councillors, so that each Ward Councillor receives a notional allocation.
- 2.3. Two or more Ward Councillors may choose to pool their allocations and to form a joint Allocation Pool.
 - 2.3.1. Only the budget allocations of Ward Councillors who have agreed to the pooling will form the pool.
 - 2.3.2. Only Ward Councillors from the same Area Committee can pool their allocations.

3. Protocol & Controls

3.1. Spending Protocol

- 3.1.1. Ward Councillors will make recommendations to the Area Committee as to how their notional allocation of the Area Committee budget will be spent. That recommendation will be submitted on a form approved by the Corporate Director of Finance and must be properly completed.
- 3.1.2. No decision shall be made to allocate any Ward Councillor's allocation unless the scheme or improvement to which it is allocated has been recommended to the Area Committee by the Ward Councillor.
- 3.1.3. Where a Joint Allocation Pool has been set-up, on the basis that participating Ward Councillors must have agreed to the same, there is no requirement to make joint recommendations and the final decision on the use of any allocation will rest with the relevant Area Committee
- 3.1.4. Area Committee Budgets may be spent on items of a revenue nature that are one-off or a capital project.
- 3.1.5. Area Committee budgets cannot be spent on projects that are likely to require ongoing revenue support.

- 3.1.6. The recommendations will be considered by the Area Committee. If the committee does not agree with any of the recommendations, the Ward Councillor will be given the opportunity to submit alternative proposals.
- 3.1.7. If the Area Committee and a Ward Councillor cannot agree on the recommendations by the 31 January in any financial year, the matter will be referred to the Executive for final resolution unless the Chief Executive in consultation with the Leader of the Council agrees otherwise.
- 3.1.8. The Corporate Director of Finance may undertake audit work in relation to the organisations in receipt of area committee funding when it is deemed appropriate.
- 3.2. Procurement Goods & Services
 - 3.2.1. Any allocation to a single body or scheme with a value greater than or equal to £20,000 must comply with the Council's Procurement Rules.
 - 3.2.2. No payment will be made unless an invoice or other suitable document has been submitted to the Corporate Director of Environment and Regeneration.
 - 3.2.3. It is the responsibility of all Area Committee members to declare any interest they may have related to the expenditure of Area Committee Budgets. Councillors making a recommendation must declare any interest on the recommendation form.
 - 3.2.4. It is the responsibility of the Corporate Director of Environment and Regeneration to check the Register of Interests against the recommendations from Ward Councillors and to notify the Councillor and the committee if in his/her view a conflict of interest exists.
- 3.3. Officer Involvement- Monitoring & Control
 - 3.3.1. The Corporate Director of Environment and Regeneration will be responsible for collating bids, preparing the relevant reports for the Area Committees and notifying external agencies if bids have been successful. The Corporate Director of Environment and Regeneration will be responsible for undertaking appropriate financial checks on bids and arranging payment.
 - 3.3.2. The Corporate Director of Environment and Regeneration shall ensure that Area Committees receive an annual monitoring report relating to the allocations agreed.
 - 3.3.3. The Monitoring Officer in consultation with the Corporate Director of Finance will have discretion to agree to exceptions to the timetable for the circulation of monitoring reports, the applications process and payments.

PROCUREMENT RULES

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A – FINANCIAL REGULATIONS

1. Introduction and Thresholds

- 1.1 These mandatory rules apply to all spend made by officers or agents of the Council and companies/partnerships for which the Council has responsibility for on goods, works and services, including when we are leading in a central purchasing body arrangement. References to the Council in these Procurement Rules should be substituted by any relevant company or partnership as appropriate. The rules ensure we comply fully with our obligations for Standing Orders under the Local Government Act 1972 Section 135. It is a disciplinary offence for officers/agents not to follow the Procurement Rules. These rules govern any purchase, lease, rental or combination but exclude employment arrangements or Council land arrangements;
- 1.2 Any explanation or clarification of these Procurement Rules should come exclusively from the Council's Strategic Procurement Team or Legal Services;
- 1.3 Where there is conflict between European Law, UK Law, or Council policy then European Law, UK Law then Council policy shall apply in that order of priority. No officer, member or the Executive has any authority to waive any matter contained within law;
- 1.4 These rules ensure competition, provide protection against inappropriate use of Council funds, look at full life costs of any purchase, assist legislative compliance and deliver best value by the Council supported by our policies and codes of practice;
- 1.5 The procedure to be followed is determined in bands of whole life cost (recurring procurements based on four years of value) across the entire Council "Aggregate value". The spend must not be fragmented in any way to circumvent the appropriate procedure. The budget must be appropriately approved by the relevant officer of the Council prior to spending. Where an exact value is not known then the decision should be based on the estimated value.
- 1.6 The procedure is:
 - 1.6.1 Utilise an existing corporate contract wherever available (for more information refer to our website); or
 - 1.6.2 When no corporate contract is available, follow the procedure illustrated in Table 1.

Table 1

Value Band	Estimated whole life spend value (excluding VAT)	Required Procedure
i)	£ 0 - £4,999	No formal written quotation required. Spend should be made by purchase card wherever possible.
ii)	£5,000 to £19,999	One written quotation.
iii)	£20,000 and £99,999	A minimum of three competitive written quotations One quotation from a local (Islington) supplier, as long as a suitable supplier is available. All contracts within this value band must be highlighted to the Strategic Procurement Team without exception by email.
iv)	£100,000 or above	Contact Strategic Procurement Team who will look at the availability of an existing suitable consortium or framework arrangement. If one is not available: a formal tender process with a minimum of four written competitive tenders. All contracts within this value band must be referred to the Strategic Procurement Team without exception by email. Note: European advertising requirements will have to be complied with for most tenders in this category (see 2.2).

- 1.7 Recruitment of consultants requires the completion of a business case in line with the online guidelines provided by the Strategic Procurement Team. The business case should be completed by the client commissioning officer. The commissioning client officer is the person in the Council responsible for identifying and specifying the need(s) for the contract. Initial approval of the Business Case is required from the client commissioning officer's Corporate Director. A panel consisting of the Strategic Procurement Team, Finance and the Chief Executive's Team will assess the business case. The client commissioning officer will then be informed whether or not they can procure their consultant or whether more information is needed for a decision to be reached.

2. Value Based Procedures

- 2.1 All contracts with an estimated value excess of £100,000 must be advertised as a minimum on the Islington Council website. The advert must include details of the price/quality weighting for evaluation (where Most Economically Advantageous Tender (MEAT) is used) and the specific breakdown/composition of the cost/quality criteria unless otherwise authorised by the Head of Strategic Procurement (or their authorised representative). Weighting cannot be amended during the tender process;
- 2.2 The European Procurement Regulations apply to all contracts although which specific rules apply will depend on the value and subject matter of the contract. Specific advertising and tender process requirements apply to spend on some contracts with a value estimated to exceed thresholds of £139,893 whole life value for supplies/services and £3,497,313 for works. In the case of services contracts the Strategic Procurement Team shall determine whether the service is Part A or Part B under the regulations as more limited rules apply to Part B services. Services that are Part A require an advertisement in the Official Journal of the European Union (OJEU) and an Award Notice within in OJEU. Whilst it is not a statutory requirement for an advertisement to be placed in OJEU for Part B services or service which are below the threshold, officers shall recognise it is still a legal requirement to demonstrate a contract has been sufficiently advertised. The requirement to advertise is also to comply with the principles of equal treatment, non-discrimination and transparency in the adopted procedure which apply to all contracts. All Part B services require an Award Notice to be placed in OJEU;
- 2.3 Contracts exceeding £500,000 or where directed by the Corporate Director of Resources must be signed as a deed by the Corporate Director of Resources or their authorised representative (contracts below this threshold where no alternative instruction has been provided shall be signed by two Authorised Officers of the Council). Contracts must be signed prior to works commencing, services starting or goods being delivered unless otherwise agreed in writing by the Corporate Director of Resources and recorded in the contract file. The Legal Services Contract Team will supply the wording for any Letter of Intent. Letters of intent represent a risk to the Council and should only be used where absolutely unavoidable;
- 2.4 Contracts exceeding £500,000 procured through a central purchasing body need to be approved in advance by the Information Technology Strategy Board and/or the other applicable board as determined by the Head of Strategic Procurement or their nominated representative;
- 2.5 Contracts of all values in Housing and Adult Social Services and Children's Services need to be notified to Housing, Adult Social Service and Children's Procurement Board. The Board will give appropriate direction to officers when required. This does not replace the requirement to inform the Strategic Procurement Team.

3. Exceptions to the Procurement Procedure

- 3.1 When procuring goods and services from an approved central purchasing body such as the London Contracts and Supplies Group or Office of Government Commerce (OGC) the financial thresholds of the Procurement Rules do not apply. In these instances the procedures laid out in the existing contract or framework prevail which may require a mini competition (or quotation exercise) to be completed.
- 3.2 Exceptions to the Procurement Rules, other than use of an approved central purchasing body, will only be approved with significant mitigating circumstances.

- 3.3 Exceptions to the Procurement Rules will only be considered on the basis of a written report "a waiver" produced in advance of procurement activity. The waiver should set out good operational and financial reasons and be based on value for money principles. The waiver must invite comments from Legal Services, Strategic Procurement and Finance.
- 3.4 Corporate Directors (and Service Directors and Heads of Service where appropriately authorised) can agree exceptions for Value Bands i), ii) and iii) contracts up to their delegated authority levels with a written waiver report.
- 3.5 Corporate Directors (and Service Directors where appropriately authorised) can agree exceptions for Value Band iv) contracts up to their delegated authority levels with a written waiver report.
- 3.6 Only the Executive can agree exemptions in the case of Value Band iv) contracts where the value exceeds the Corporate Director's delegated authority.
- 3.7 The Executive does not have authority to waive or override the requirements of European or national law.
- 3.8 Examples of exceptions, such as an emergency where serious financial loss or loss of life may be concerned, or when the goods, works or services are of an exclusive proprietary nature should be outlined in the waiver report.

4 Risk and Insurance Financial Management

- 4.1 All Value Band iv) procurements must have a risk assessment completed by the client commissioning officer in line with the Council's standard processes which should include the financial and legal risks of the proposed procurement;
- 4.2 All contracts where there is direct advice and/or design services provided by a contractor, including all Consultancy arrangements, must include a requirement for Professional Indemnity Insurance;
- 4.3 All contractors must have and maintain Public Liability insurance and Employers Liability insurance of £5,000,000 or more in addition to any other insurance recommended by the Insurance Section of the Council for Band Value iii) procurements. Band Value iv) procurement insurance values should be checked with the Insurance Section. (Note: sole traders with no employees are excluded from Employers Liability)
- 4.4 Corporate Directors and (where they have appropriate authorisation) Service Directors and Heads of Service may agree an exception to insurance values for public liability and professional indemnity up to Band Value iii). A Corporate Director or authorised Service Director may agree a variation to an insurance value at Band Value iv). All variations to agreed insurance levels must be made in discussion with the Insurance Section and the Corporate Director of Resources (or their authorised representative). All variations must be recorded in writing in the contract file.
- 4.5 All potential Contractors to the Council shall have a financial appraisal undertaken prior to being awarded a Value Band iv) contract.
- 4.6 The Strategic Procurement Team shall complete the financial appraisal for Value Band iv) procurements unless otherwise agreed by the Head of Strategic Procurement (or their nominated representative). The Strategic Procurement Team shall use a specialist external

provider recognised within the industry or approved internal scheme. In the event of any doubt as to the Contractor's financial viability, or any non-availability of an external report, the Commissioning Officer's finance contact shall provide expert advice. Consideration may still be made of the Contractor if the risk is deemed acceptable by Corporate Directors (or authorised Service Directors).

4.7 Financial appraisals are not required when contracting directly with other local authorities, the Police, Primary Care Trust, National Health Service, Her Majesty's Prison Service or the Fire Brigade (or European equivalents in all cases). Such organisations are underwritten by Central Governments and thus are deemed financially viable at all times.

4.8 Where there is doubt as to the financial viability of a contractor but the Council has either no acceptable alternative provider or has decided to accept the level of risk then additional form of security to a level determined between legal and financial services shall be provided such as:

4.8.1 a Parent Company, Ultimate Holding Company or Holding Company guarantee where their finance prove acceptable;

4.8.2 a Director's Guarantee or Personal Guarantee where their finances prove acceptable;

4.8.3 a Performance Bond, retained funds or cash deposit;

4.8.4 any other security as determined by finance and/or legal services.

4.9 A Corporate Director can decide, in writing, that a contract can be awarded for a total contract value up to £5,000,000, without the tenderer needing to provide the level of security specified by finance and/or legal services. A record of this decision and the reason(s) for it must be kept in the contract file.

4.10 All documents inviting tenders must contain a statement that the contractor may need to provide security of performance and the level of security that may be required.

4.11 Before a contract is awarded, the Executive must approve the award of a contract where the contractor cannot provide security of performance for contracts with a total contract value of more than £5,000,000. The report seeking approval of the Executive must set out the reason why it is proposed that the contract should be awarded despite the absence of security and what measures are to be taken to manage the risk.

5 E-Procurement

5.1 The Council recognises the following E-Procurement procurement activities, including sourcing, ordering, receiving goods and making payments to achieve Best Value in line with the Procurement Rules and Council Policies:

5.1.1 Corporate purchase cards;

5.1.2 Electronic tendering;

5.1.3 Electronic auctions;

5.1.4 Purchase-to-pay systems;

5.1.5 Consolidated Invoicing.

- 5.2 Assistance for using e-auction may be obtained from the Strategic Procurement Team. Where e-auction is used appropriate authorisation in accordance with normal contract values to select for award the best bid may be secured in advance of the e-auction;
- 5.3 An electronic signature is acceptable to make a contract legally binding. However contracts must still be printed by the commissioning client officer and appropriately signed or sealed to comply with Council procedures.

B – POLICY REGULATIONS, INDIRECT RULES

6. Equalities and Diversity

- 6.1 It is mandatory to complete an Equalities Impact Assessment for all tenders prior to the specification being completed or a contract number being issued. A copy of the Impact Assessment shall be passed to the Strategic Procurement Team following consultation with the Equalities Team.
- 6.2 Contract Clauses inserted for the express improvement of an Equalities strand must be approved by the Legal Contracts team and reported to the Strategic Procurement Manager.
- 6.3 Contractors may be encouraged to undertake appropriate equalities training.
- 6.4 Contractors will be required to sign the Equalities Cohesion Charter in future tender documentation, all variances to this must be approved by the Head of Strategic Procurement (or their authorised representative).

7. Corporate Priorities

- 7.1 All contracts shall support the priorities set out in the Sustainable Communities Strategy:
- 7.2 The Sustainable Communities Strategy may change from time to time. For further information refer to the website or contact the Chief Executive's Team.

8. Green Procurement

- 8.1 The Council has made a commitment to green procurement. Council officers shall support this commitment by:
- 8.1.1 Specifying products which do not harm the environment or which reduce our negative environmental impact wherever possible;
- 8.1.2 Considering environmental alternatives positively when awarding contracts where the difference in cost is up to 10% or £70,000 (whichever is the greater) more for an environmental alternative and the environmental benefits are considered to justify the additional cost, after taking into account all the evaluation criteria. Where the difference in

price is more than 10% or £70,000 the Corporate Director or (where appropriately authorised) the Service Director may approve the award after full consideration of all the relevant factors;

- 8.1.4 Recognising sustainability and buying environmentally friendly products is part of continuous improvement for best value. All examples shall be highlighted to the Strategic Procurement Manager;
 - 8.1.5 Considering ancillary costs such as energy usage and maintenance as part of the evaluation process;
 - 8.1.6 Seek to minimise the negative effect on the environment of the goods and services that we buy and to promote and embed the principles of sustainability into procurement activity across the council through the completion of a green risk assessment.
- 8.2 The full Green Procurement Rules are available on the Council website.

9 Freedom of Information Act 2000

- 9.1 The Freedom of Information Act 2000 came into force on 1 January 2005. The act gives people the right to see information that is held by any public organisation. It is intended to make public authorities more open and responsible for their actions. The act recognises that there are some valid reasons for withholding information. Contractors must be asked to complete a Freedom of Information Schedule identifying any confidential or commercially sensitive information in their tender response.

10. Conduct

- 10.1 Officers shall conduct themselves in line with the Procurement Code of Conduct available on the Council's internet pages. Officers must not accept any gift or reward before, during or after a tender process beyond nominal value. Officers must declare any personal interest(s) in a contract prior to any involvement in a contract the Council is/are considering or a contract that has already commenced.

11 The Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE)

- 11.1 Whenever a new contractor is appointed to take over an existing service, the employees of the original contractor (or the Council, if the service was previously provided in-house) may be affected by transferring the services to another provider. If so, you must make sure TUPE issues are considered. You must get legal advice from the Corporate Director of Resources before asking for tenders or quotations. This may also apply where a service is being re-configured and will in future be covered by a number of providers.

C – RESPONSIBILITIES

12. Value for Money Board

- 12.1 The Value for Money Board will review any value for money report(s) provided by the Strategic Procurement Team and other departmental operational procurement teams to identify potential areas of efficiency improvement;
- 12.2 The Value for Money Board do not have a role in the decision making process on tenders but may offer advice or views from alternative sections on economy, efficiency and effectiveness. For example, potential areas where procurement/s could promote or improve sustainability;
- 12.3 The Value for Money Board will record minutes of the successes of the Council's procurement activities highlighted to them.

13. Procurement Representatives Responsibilities

- 13.1 The Procurement Representatives shall:
 - 13.1.1 Keep an awareness of what procurement activity is happening within departments;
 - 13.1.2 Act as a conduit of best practice for Procurement;
 - 13.1.3 Provide information for reports and input for newsletters;
 - 13.1.4 Maintain the forward plans for respective departments
 - 13.1.5 Provide a first line information source on where to find procurement information

14. The Executive Responsibilities

- 14.1 The Executive shall:
 - 14.1.1 provide Corporate Directors with responsibility to sign for Revenue spend over £500,000 and Capital spend over £1,000,000 (Revenue and Capital Spend is more particularly defined within the main Financial Regulations);
 - 14.1.2 approve contract amendments where the amendment exceeds £500,000 or is above Corporate Director approval;
 - 14.1.3 approve awards without performance security where the contract exceeds £5,000,000.

15. Chief Executive Responsibilities

- 15.1 The Chief Executive is responsible for making sure that Corporate Directors carry out their responsibilities under these rules and for acting or appropriately delegating where a Corporate Director is not able to carry out these responsibilities.

16. Corporate Directors' Responsibilities

16.1 A Corporate Director has responsibility for all contracts awarded by their department. His/her responsibilities include:

- 16.1.1 making sure that the Procurement Rules are followed;
- 16.1.2 awarding contracts paid for using revenue money of up to £500,000 and contracts paid for using capital money of up to £1,000,000;
- 16.1.3 awarding contracts paid for using revenue money over £500,000 where the Executive has provided prior approval;
- 16.1.4 awarding contracts paid for using capital money over £1,000,000 where the Executive has provided prior approval;
- 16.1.5 making sure the Council achieves value for money;
- 16.1.6 taking immediate action if someone breaks the Procurement Rules;
- 16.1.7 making sure proper and detailed records of all contracts are kept;
- 16.1.8 making sure a record is kept when it is decided that these procurement rules do not have to be followed;
- 16.1.9 making sure arrangements are in place for opening tenders and keeping them safe;
- 16.1.10 making sure that the Council's corporate seal is placed on any document that needs to be 'sealed and executed' as a deed, and that where a document does not need to be sealed that it is signed by two authorised officers;
- 16.1.11 agreeing an amendment to a contract where the value of the amendment is up to 10% or £500,000 of the original contract value (whichever is the highest);
- 16.1.12 agreeing to waive security of performance on a contract up to £5,000,000;
- 16.1.13 deciding to accept a contract with lower levels of insurance cover and to accept a contract without professional indemnity insurance;
- 16.1.14 in cases where the EU regulations requiring advertisement in OJEU do not apply, agreeing not to advertise a tender with a completed waiver form;
- 16.1.15 in cases where the EU regulations do not require a specified process to be followed in respect of the procurement, agreeing to negotiate a contract direct with a completed waiver form; and
- 16.1.16 keeping a register of all contracts for their service and having all contracts duplicated on the corporate contracts database with an official number.

17 Finance Responsibilities

17.1 The finance department shall:

- 17.1.1 provide guidance to officer on procurement implications to associated budgets where multiple departments could be affected;
- 17.1.2 commit the budget to being available for any procurement activity; and
- 17.1.3 comment on all reports for the Corporate Management Board, Joint Board or Executive Reports.

18 Legal Contracts Team Responsibilities

18.1 The Legal Contracts Team shall:

- 18.1.1 provide advice on the EU regulations, the Procurement Rules and client responsibilities to commissioning officers;
- 18.1.2 prepare conditions of contract and associated documents to include in the tender documents in a timely manner;
- 18.1.3 advise on any legal issues arising in relation to the contract and the procurement process.
- 18.1.4 review any proposed Contractor terms and conditions at the request of the Commissioning Officer;
- 18.1.5 advise on, and where required negotiate on behalf of the Commissioning Officer, amendments to the conditions of contract.

19 Commissioning Officer Responsibilities

19.1 Commissioning Officers (officers leading on a procurement) shall:

- 19.1.1 follow the Procurement Rules;
- 19.1.2 follow the Green Procurement Rules;
- 19.1.3 complete an Equalities Impact Assessment, Environmental Impact Assessment and Risk Assessment for each procurement;
- 19.1.4 get a contract number from the Strategic Procurement Team for all contracts with a total contract value of £20,000 or above;
- 19.1.5 instruct the Legal Contract Team in good time to prepare, or give advice on, all terms and conditions;
- 19.1.6 notify Democratic Services and write appropriate reports needed by the Executive;

- 19.1.7 ensure resources are in place to manage the let contract;
- 19.1.8 ensure there is sufficient budget for the contract;
- 19.1.9 seek legal advice when terminating a contract and/or withholding payments;
and
- 19.1.10 ensure a minimum of one contract review per annum. This is to ensure the quality of the service and to promote continuous improvement.

20. Strategic Procurement Team Responsibilities

20.1 The Strategic Procurement Team shall:

- 20.1.1 review the Procurement Rules and associated policies and documentation;
- 20.1.2 maintain a repository of skills and expertise to provide procurement advice;
- 20.1.3 support Commissioning Officers when going out to tender with an appropriate level of advisory support, examining options available to the commissioning officer in light of procurement best practice and legislation;
- 20.1.4 liaise with the Legal Contracts Team to assist in ensuring that all the advice provided and procedures being followed are legally compliant;
- 20.1.5 provide information for statistical purposes and return for the audit commission and European Union.

D – Procurement Administrative Process

21 Quotations

- 21.1 All quotations for Value Band ii) and iii) must be received in a written format of formal letter quotation, facsimile, email or catalogue and based on a written statement of needs;
- 21.2 All quotations for Value Band ii) and above should have formal terms and conditions as prepared by legal services, unless legal services provides exemption to those conditions.

22 Minimum Criteria

- 22.1 Contractors must be suitably qualified in terms of their:
 - 22.1.1 financial position (subject to section 4 of the Procurement Rules);
 - 22.1.2 professional, technical (capability and capacity) and managerial ability;
 - 23.1.3 references, personnel and organisational track record;
 - 23.1.4 health and safety policy and arrangements;
 - 23.1.5 environmental policy and arrangements where they relate to the subject matter of the contract; and
 - 23.1.6 equalities policies.
- 22.2 The Council operates a pre qualification questionnaire to ensure Contractors meet these conditions.

23 Award Criteria

- 23.1 All contracts must have award criteria at both pre qualification and tender stages. The award conditions should be documented in the application documents. Contractors assessed against these criteria are entitled to have access to their results and records must be kept of these results.
- 24.2 Tenders can only be awarded against the following criteria:
 - 24.2.1 lowest cost to the Council/Partner;
 - 24.2.2 highest income to the Council/Partner;
 - 24.2.3 most economically advantageous tender, where considerations other than price also apply.
- 23.3 All award criteria should be published in the tender advert.

24 Invitations to Tender

25.1 All invitations to tender must include:

- 25.1.1 a description of the requirements with enough detail to allow the tenderer to make a competitive offer (a specification);
- 25.1.2 a requirement for tenderers to declare that they have not given the tender content and price to any other organisation (unless if necessary in confidence, such as the tenders' subcontractors, with prior authorisation);
- 25.1.3 a requirement for tenderers to fully fill in and sign all tender documents (electronically signed by return for e-tenders);
- 25.1.4 a statement that tenders are put forward at the tenderer's expense;
- 25.1.5 a list of the award criteria and the scoring/weighting system;
- 25.1.6 if the tender is being returned by post, a statement that no tender will be considered unless it is enclosed in a sealed envelope or container which has the word 'tender' followed by the contract name, but no other name or mark showing who sent it;
- 25.1.7 a statement that tenders sent by fax or e-mail will only be considered and accepted by the Council with the authority of the Head of Strategic Procurement (or their representative);
- 25.1.8 how any pricing mistakes discovered in the tender will be dealt with;
- 25.1.9 statement that the Council can recover costs from the cancellation of any contract in the event the Contractor should offer, agree to offer or provide an officer, member or person associated with the Council, partner or its agent an inducement or reward in respect of a contract;
- 25.1.10 a statement that we do not have to accept the lowest tender, or indeed any tender.

25 Putting Tenders Forward

- 25.1 Officers should sufficiently prepare in advance for procurement processes to allow for European Directive timescales.
- 25.2 Emailed and fax tenders may only be used with the express consent of the Head of Strategic Procurement (or their representative);
- 25.3 All intentions to seek tenders must be notified to the Strategic Procurement Team in writing including title, estimated annual value, contract length and commissioning office (or responsible officer if different).

26 Receiving and Opening tenders

27.1 Each tender received must be:

- 27.1.1 recorded with the date and time it was received;
- 27.1.2 kept in a safe place; and

- 27.1.3 recorded in the tender record log in the Strategic Procurement Team.
- 26.2 All non-electronic tenders must be opened in the presence of a Tender Opening Panel (TOP). The TOP must be made up of at least two officers, one of whom should be the commissioning officer;
- 26.3 Contracts estimated over the EU threshold must have a member of the Strategic Procurement Team on the TOP;
- 26.4 Tenders should be through the electronic e-tendering system managed by Strategic Procurement when/wherever possible. When opening electronic tenders, all tenders must be opened at the same time;
- 26.5 Tenders received after the set time for receiving them, but before the TOP has begun opening them, may be opened and then considered only if all members of the TOP agree that it is appropriate to do so.
- 26.6 Tenders received after the TOP has begun opening tenders "late tenders" will not be considered unless specifically agreed by the Head of Strategic Procurement (or his representative) or are for land/building property purchases. Tenders received late and not to be considered will be returned;
- 26.7 All tenders opened by the TOP will be evaluated in a timely manner against the advertised award conditions;
- 26.8 All extensions to tender return dates must be authorised by the Head of Strategic Procurement (or his representative);
- 26.9 Errors or matters of ambiguity in tenders should be highlighted to the Head of Strategic Procurement (or his representative) to decide whether an extension is appropriate for satisfactory return of bids.

27 Negotiation

- 27.1 A Corporate Director can decide that a contract should be awarded by post-tender negotiation (discussions after tenders have been received), subject to EU and national legislation, when:
 - 27.1.1 No tenders are received following a competitive tendering exercise or there are only inappropriate/invalid tenders and the conditions have not been substantially altered;
 - 27.1.2 contractors could not be short listed either for having not met the pre qualification requirements after a public advertisement or there is no response to an advertisement.
- 27.2 Negotiations must be carried out by at least two (2) senior officers, at least one of whom is a Corporate Director or their representative. Corporate Directors are responsible for the actions of the people they have nominated.
- 27.3 Negotiations must be fully minuted and the actions agreed by both parties;
- 27.4 Where a Corporate Director wishes to adopt the negotiated route prior approval must be obtained from the relevant Finance Officer, the Head of Strategic Procurement (or his delegated representative) and the Director of Legal Services.

28 Awarding Tenders

- 28.1 The Commissioning Officer must prepare a contract award report for any every contract over £20,000, and keep that report on the contract file. More guidance is available from Strategic Procurement but the report must include:
- 29.1.1 an introduction and summary of the requirement;
 - 29.1.2 outcomes, efficiencies and savings as a consequence of award;
 - 29.1.3 chosen procurement route and justified options discounted;
 - 28.1.4 length of arrangement including any extension options
 - 28.1.5 criteria against which the contractor was selected;
 - 29.1.6 the make up of the project team, noting any Member involvement;
 - 29.1.7 the estimated value/actual value for the life of the contract;
 - 29.1.8 dates and information regarding previous tendering in the case of a recurring procurement;
 - 29.1.9 pre tender assessment information;
 - 29.1.10 confirmation that a Risk Assessment, Equalities Impact Assessment and Environmental consideration has been provided;
- 29.2 The Commissioning Officer must write to the successful bidder telling them that the Council has accepted their offer, and to the unsuccessful bidders telling them that the Council has not accepted their offers including in both cases their evaluation scores and the score of the winning tender(s) at the same time;
- 28.3 Tenders awarded in line with the EU regulations must be notified that the Council will accept the successful tender as long as no objections are raised by any of the unsuccessful bidders during the ten (10) day appeal period;
- 28.4 The Contract must not be signed until the ten (10) day standstill period has passed without objection;
- 28.5 The successful Contractor must not commence work until the contract has been signed in line with Section A above.

29 Keeping records

- 30.1 The Commissioning Officer's department must keep:
- 30.1.1 successful contract files for twelve (12) years after the end of the contract for all sealed contracts;

- 29.1.2 successful contract files for six (6) years after the end of the contract for all other contracts;
- 29.1.3 unsuccessful contract files for two (2) years.

30 Contract Management

- 31.1 A record of all contract amendments and variation orders (orders to amend contracts) must be issued in writing;
- 30.2 Commissioning Officers must file a copy of every variation order in the contract file highlighting any risk to their relevant manager and any other affected department.

Note: These rules will be updated by the Strategic Procurement Team to accommodate changes in the thresholds mentioned, therefore it is essential to ensure you have the latest version.

WEST AREA COMMITTEE PROCEDURE RULES

West Area Committee Procedures

GENERAL

1) Agenda

The agenda of the West Area shall be as follows:

- 1) Apologies and formal matters
- 2) Minutes of last meeting
- 3) Chair's report
- 4) Public questions and petitions
- 5) Reports from officers
- 6) Implementation of decisions
- 7) Reports from Councillors
- 8) Reports from Sub-Committees

The Chair with the approval of the Committee can vary the agenda.

2) Chair's Report

The Chair may present a written report on any subject and propose a motion arising from the report to the Committee. The report must be circulated to the committee members prior to the commencement of the meeting and made available to the public five clear working days in advance in order to comply with the requirements of the Access to Information Procedure Rules contained in Part 4 of the Council's Constitution ("the Access to Information Procedure Rules")

3) Public questions and petitions

The meeting shall devote a maximum of 20 minutes at each meeting to a 'Have Your Say' session public questions and the presentation of petitions.

In order to maximize public participation, the following procedures will apply:

- 1) The 'Have Your Say' session will consist of up to two five minute slots per meeting,
- 2) There will be no debate or questions on any 'Have Your Say' item,
- 3) Any resident of West Area wishing to use a 'Have Your Say' slot must notify the Chair of the committee at least five working days in advance of the meeting,
- 4) The committee reserves the absolute right to refuse to allow any person or subject to be heard in the 'Have Your Say' slot,
- 5) One question and one supplementary per member of the public;
- 6) Priority will be given to questions and petitions submitted in writing to the Chair in advance;
- 7) Questions not to be more than one minute in length (or 100 words);
- 8) Petitioners will be allowed one minute to present their petition and ask what action will be taken to address the petitioner's grievances.

4) Reports from officers

Officers shall write reports with recommendations for the deliberation of and determination by the area committee. The following procedures will apply in making determinations on Committee reports:

- 1) All meetings of the Committee shall be public, except by decision of the committee, in accordance with the Access to Information Procedure Rules;
- 2) Council officers may be invited to present their report to the Committee for a maximum of five minutes if the Chair rules the meeting would benefit from further explanation of the report;
- 3) Members of the public are invited to ask a question of the officers responsible for the report according to the same procedures in paragraph 3 above;
- 4) Councillors are invited to ask questions.
- 5) Once questions are completed, the Committee shall move to debate where the rules of Council debate apply for Councillors debating the report. Only Councillors may speak during debate, except by leave of the Chair.

5. Implementation of decisions

The Council's constitution delegates to the area committees responsibility for making decisions in the areas of planning, traffic, parking, transport and some greenspace issues. Part 3, paragraph 7.3 delegates to the Committees the administration of budget for local projects in these areas identified in the Council's civic budget. The Committees may also determine other local matters as they arise under its terms of reference as set out in Part 5.

To further develop accountability and transparency in council decision-making and to give Council staff clear direction in implementing West Area Committee decisions, Council staff shall report to the Committee where,

- 1) There is any reason why a decision may not be implemented,
- 2) There are any budgetary or resourcing consequences of a decision of which the Committee will need to be aware.

The purpose of the report will be to allow the Committee to determine an appropriate course of action where a further decision needs to be made arising from a previous decision taken by it.

6. Councillors' reports

A Councillor may present a written report on any subject and propose a motion arising from the report to the Committee. The report must be circulated to the Committee members prior to the commencement of the meeting and made available to the public five clear working days in advance in order to comply with the requirements of the Access to Information Procedure Rules.

7. Delegation to Sub-Committees

The Area Committee may delegate to a sub-committee the determination of any matter for which it is responsible. In resolving to establish a sub-committee, the Area Committee shall specify:

- 1) Those matters for which the sub-committee shall be responsible for determining;
- 2) Which Councillor shall chair the sub-committee;
- 3) The number and identity of the Councillors who will sit on the sub-committee. The membership of the sub-committee shall so far as is practicable reflect the political balance on the parent Area Committee;
- 4) The number of community members (if any) to be co-opted onto the sub-committee and the method of their selection;
- 5) Whether the sub-committee shall have any responsibility for administering the budget allocated to the Area Committee in accordance with paragraph 7.3 of Part 3 of the Council's constitution,

Voting at sub-committees shall be by way of a show of hands and a motion shall be carried if a simple majority of councillors present at the meeting vote in favour of it. In the case of an equality of votes, a Chair who is a voting member of the group shall have a second or casting vote.

For the avoidance of doubt, community representatives on sub-committees shall not have voting rights.

Reports of sub-committees minutes shall be made to the Area Committee.

8 Other matters

Where this protocol is silent the meeting procedures outlined in the Part 4 Section 2, Committee Procedure Rules, will apply to both meetings of the Area Committee and any sub-committee appointed under paragraph 7 above.

West Area Community Chest Sub-Committee Procedure rules

The West Area Community Chest will be managed by a sub-committee of councillors. The sub-committee will consist of a chair plus one councillor from each of the four wards. As far as is practicable proportionality shall be maintained and in the event of an appropriate councillor not being available, a councillor from the same political group as that person shall be given the first opportunity to substitute for the absent councillor but if no such person shall be available, another West Area councillor may substitute. The quorum shall be three councillors.

The sub-committee shall give at least 14 days notice of its meeting dates, meet in public and report its decisions to the next meeting of the West Area Committee. All agendas and reports shall be made public in accordance with the Access to Information Rules forming part of the Council's constitution.

Grants will normally be made of any amount up to £3000 but up to £5000 in special circumstances. All funds will be distributed by the end of the financial year.

The Community Chest Sub-Committee will consider applications from any local Islington community organisation or group of local residents with a particular interest for an activity that will primarily benefit residents in West Area or will be conducted in West Area. These groups may include

- Youth clubs and other young peoples' organisations

- Tenants and residents associations
- Black and Minority Ethnic (BME) community groups
- Older people's groups
- Parent and toddler groups
- Groups of local residents wishing to improve their local environment

The objectives of the projects should be to accomplish at a least one of the following

- Promote a vibrant cohesive community
- Contribute to local regeneration
- Empower people to take an active part in their communities
- Develop trust between people
- Improve the local environment
- A better local quality of life
- Improvement of local residents' health
- Raising educational achievement outside school