

## **Part G – Appendices**

### **Section G4AA:- Finance and Contract Procedure Rules**

#### **(Introduction and Overview)**

**In Part G:-**

**Section G1A** contains the Member Code of Conduct

**Section G1B** contains the Member Planning Protocol

**Section G2** contains the Officer Code of Conduct

**Section G3** contains the Officer/Member Relations Protocol

**Section G4** contains the Finance and Contract Procedure Rules which govern how the council manages its financial affairs. The Rules are split into the following 8 parts:-

**This section G4AA** contains an introduction and overview to the principles of good financial management, the roles and responsibilities of Officers and Members and the various documents and processes that form the council's financial management framework.

**Part G4A** deals with Financial Management

**Part G4B** deals with Financial Planning

**Part G4C** deals with Risk Management and Control of Resources

**Part G4D** deals with Financial Systems and Procedures

**Part G4E** contains the Contract Procedure Rules

**Part G4F** deals with External Arrangements

**Part G4G** contains the glossary of terms used in the Contract and Finance Procedure Rules

## Part G – Appendices

### Section G4AA:- Finance and Contract Procedure Rules

#### (Introduction and Overview)

#### **1 Introduction**

- 1.1 Section A1 of the Constitution contains an overview of the main components of the council and how they relate to each other. It explains how the decisions that the council has to make are either made by all of the elected Members acting together (“**Council**”), by the Cabinet (or individual Cabinet Members), by committees or by Officers.
- 1.2 Section A2 explains the council’s core objective in decision making and sets out the principles of decision making that all Members and Officers must observe. The rest of the Constitution sets out various rules about who is authorised to take different types of decisions and how they should be taken and recorded.
- 1.3 Whenever a decision is taken it will have a financial implication in terms of either a cost or a saving for the council. These Finance and Contract Procedure Rules (“**the Rules**”) provide the framework for managing those implications and setting out who is authorised to make decisions which have different types of financial implications.
- 1.4 The Rules apply to every Member and Officer of the council and anyone acting on the council’s behalf. These rules sit alongside all of the rules, codes, protocols and principles contained in or made under the Constitution. All decision makers need to ensure that they are not only empowered under the Constitution to make every decision that they propose to make, but that they are also authorised under these Rules to incur the financial implications of every decision that they make.

- 1.5 All Members and Officers are under a duty to ensure the security of resources under their control, and to ensure that the use of resources is lawful, properly authorised, provides value for money and achieves best value. Failure to comply with the Rules may lead to disciplinary action, even legal action, or may amount to a criminal offence so Officers should always seek advice from their line management if they are in any doubt about any aspects of the Rules.
- 1.6 The Chief Finance Officer is responsible for keeping the Rules under review, issuing any advice or guidance, making minor amendments, or recommending significant amendments to Council as and when required.
- 1.7 The Chief Finance Officer is also responsible for reporting breaches of the Rules to Full Council and/or the Cabinet.
- 1.8 Chief Officers are responsible for ensuring that all Officers in their departments are aware of the requirements of the Rules (and any associated guidance) and comply with them at all times.
- 1.9 It is not possible for these Rules to cover every eventuality that may arise. In the case of any doubt, advice should always be taken and the spirit of the Rules should always be followed.

**Figure A8 - Supplementary Revenue Estimates and Virements that Represent a Change to Approved Policies/Increase in Expenditure**

<b>Approver</b>	<b>Approval Limit</b>
Directors	Up to £100,000
Directors in consultation with relevant Cabinet Member	£100,001 to £250,000
Cabinet Member Legal and Finance	£250,001 to £500,000
Cabinet	£500,001 to £1m
Council	Over £1m.

**Figure A9 – Funding Supplementary Revenue Estimates from General Reserves**

<b>Approver</b>	<b>Approval Limit</b>
Council	All Values

**Figure A10 –Funding Supplementary Revenue Estimates from Earmarked Reserves**

<b>Approver</b>	<b>Approval Limit</b>
Director of Finance	Up to £250,000
Director of Finance in consultation with the Cabinet Member Legal and Finance	£250,001 to £500,000
Cabinet	£500,001 to £1m
Full Council	Over £1m.

**Figure A11 – Use of Contingency Provisions**

<b>Approver</b>	<b>Approval Limit</b>
Director of Finance	Up to £500,000
Cabinet Member Legal and Finance	£500,001 to £1m
Cabinet	Over £1m.

**Figure A12 – Scheme of Capital Virements for Existing Approved Allocations**

Approval to vire funding between allocations:

<b>Approver</b>	<b>Approval Limit</b>
Director	Up to £100,000
Directors in consultation with relevant Cabinet Members	£100,001 to £250,000
Cabinet Member Legal and Finance	£250,001 to £500,000
Cabinet	£500,001 to £1m
Council	Over £1m

Approval to vire funding between schemes within the same allocation:

<b>Approver</b>	<b>Approval Limit</b>
Director	Total virement is less than £500,000
Relevant Cabinet Member	Total virement exceeds £500,000

**Figure A13 A – Capital Budget Increases for existing allocations**

<b>Approver</b>	<b>Approval Limit</b>
Director	Up to £100,000
Directors in consultation with relevant Cabinet Members	£100,001 to £250,000
Cabinet Member Legal and Finance	£250,001 to £500,000
Cabinet	£500,001 to £1m
Council	Over £1m.

**Figure A13 B – Council approval is required where there are significant implications (as determined by the Director of Finance) for future year's budgets**

<b>Approver</b>	<b>Approval Limit</b>
Council	All Values

**Figure A17/A18 – Revenue and Capital Carry Forwards/Underspends**

<b>Approver</b>	<b>Approval Limit</b>
Director of Finance	Up to £100,000
Cabinet Member Legal and Finance	Over £100,001

**Figure C9 A – Property Acquisitions, lettings and disposals can be authorised as follows**

<b>Value of Farm Sale (£)</b>	<b>Approval Required</b>
Up to £1,000,000	Director of Place Strategy in Consultation with Cabinet Member
£1,000,001 and above	Cabinet Member for Finance and Legal

**Figure C9 C – All other disposals of land or property not covered by C9.6A or C9.6B**

<b>Value of sale / acquisition (£)</b>	<b>Approval Required:</b>
Up to £50,000	Property Investment & Development Manager
Between £50,001 to £100,000	Senior Manager Asset Management & Development
Between £100,001 to £500,000	Director of Place Strategy
Between £500,001 to £1,000,000	Director of Place Strategy, Director of Finance in consultation with Cabinet Member for Finance and Legal
£1,000,001 and above	Cabinet

<b>Granting any new lease, easement, wayleave or other right to interest</b>	
<b>Value</b>	<b>Approval Required</b>
To any statutory undertaker up to £10,000 per annum	Property Investment and Development Manager or County Land Agent
Up to 25 years and/or starting rental up to £100,000 per annum	Senior Manager Asset Management & Development
Over 25 years and/or starting rental between £100,000 and £500,000	Director of Place Strategy
Over 25 years and/or starting rental between £500,001 and	Director of Place Strategy, Director of Finance in consultation with Cabinet Member for Finance and

£1,000,000	Legal
Over 25 years and/or starting rental above £1,000,000	Cabinet
<b>To accept the surrender or forfeiture of any lease with financial implications</b>	
<b>Value</b>	<b>Approval Required</b>
Up to £50,000	Senior Manager Asset Management & Development
Between £50,001 - £100,000	Director of Place Strategy
Between £100,001 - £500,000	Director of Place Strategy, Director of Finance in consultation with Cabinet Member for Finance and Legal
Over 500,001	Cabinet
<b>Settlement of dilapidations</b>	
<b>Value</b>	<b>Approval Required</b>
Up to £50,000	Senior Manager Asset Management & Development
Between £50,001 - £100,000	Director of Place Strategy
Between £100,001 - £500,000	Director of Place Strategy, Director of Finance in consultation with Cabinet Member for Finance and Legal
Over 500,001	Cabinet

**Figure C13 A – Disposal of Non-Property Assets can be authorised as follows:**

<b>Approval level</b>	<b>Loss on disposal</b>
Directors	Up to £10,000
Directors in consultation with Director of Finance (or their nominated deputy) and Director of Governance	£10,000 to £50,000
Cabinet Member Legal and Finance	£50,001 to £500,000
Cabinet	£500,001 to £1m
Council	Over £1m

**Figure C13 B – Write off of losses on disposal of property and non-property assets can be authorised as follows:**

<b>Approval level</b>	<b>Loss on disposal</b>
Directors	Up to £1,000
Directors in consultation with Director of Finance (or their nominated deputy) and Director of Governance	£1,001 to £5,000
Deputy Chief Executives in consultation with relevant Cabinet Members	£5,001 to £20,000
Cabinet Member Legal & Finance	£20,001 to £100,000
Cabinet	£100,000 - £1,000,000
Council	Over £1,000,000

**Figure D3 – Trading**

<b>Approval level</b>	<b>Financial impact</b>
Senior Service Manager	Less than £5,000
Director	£5,001 - £25,000
Deputy Chief Executive	£25,001 - £100,000
Deputy Chief Executive in consultation with the Director of Finance, Director of Governance and the relevant Cabinet Member	£100,001 - £500,000
Cabinet	£500,001 - £1,000,000
Council	Over £1,000,000



**Figure D4 – Charging Policy Approvals**

Approval level	Financial impact
Directors	For Increases above or below inflation up to £100,000
Directors in consultation with Director of Finance	For Increases above or below inflation between £100,001 - £250,000
Relevant Cabinet Member	For Increases above or below inflation between £250,001 - £500,000
Cabinet	For Increases above or below inflation between £500,001 - £1,000,000
Council	For Increases above or below inflation Over £1,000,000

**Figure D6 – Writing Off Bad Debts**

Approval level	Collective Total of Debt
Directors in consultation with Director of Finance (or their nominated deputy as per the scheme of delegation) and the Director of Governance	Up to £5,000
Directors in consultation with Director of Finance, Director of Governance & relevant Cabinet Member	£5,001 to £20,000
Cabinet Member Legal and Finance	£20,001 to £100,000
Cabinet	Over £100,000

**Figure E15A – Estimated Costs of Goods or Services below EU Threshold**

<b>Value of Goods or Services Procurement</b>	<b>Procedure</b>
Under £25,000	A minimum of one quote shall be sought which shall evidence value for money and the evidence retained.
Between £25,000 – and under £100,000	<p>Either of the following options apply:</p> <p>a) A minimum of three quotations sought via an e tendering portal * or</p> <p>b) Value for money demonstrated in other ways such as benchmarking, market knowledge or market research which shall evidence value for money and the evidence retained for audit purposes allowing the contract award to be made without the need for three quotations **</p> <p>* Procurement will approve which option to apply, depending upon the urgency of the requirement and how many suppliers are available on the open market, and having regard to the general availability of the goods/services being procured .It is also permissible, if the market conditions exist, for a Service to follow the procedure for over £100,000 and up to EU threshold procurements.</p> <p>** PPG 1 deals with value for money considerations and how this must be undertaken and evidenced.</p>
<p>£100,000 and above, up to the EU threshold *</p> <p>*the EU threshold differs for services/ goods and social and health care . Check with Procurement before you start</p>	An openly advertised tender (minimum of three tenders where possible) shall be sought through an e tendering portal.

**Figure E15B – Estimated Costs of Works below EU Threshold**

<b>Value of Works Procurement</b>	<b>Procedure</b>
Under £100,000	A minimum of one quote shall be sought which shall evidence value for money and the evidence retained for audit purposes
Between £100,000 and under £1,000,000	minimum of three quotations sought via an e tendering portal
£1,000,000 and above, up to the EU threshold	An openly advertised tender (minimum of three tenders) sought through an e tendering portal.

**Figure E24 – Officers Authorised to Waive Contract Procedure Rules**

<b>Value of Works Procurement</b>	<b>Procedure</b>
Under £100,000	A minimum of one quote shall be sought which shall evidence value for money and the evidence retained for audit purposes
Between £100,000 and under £1,000,000	minimum of three quotations sought via an e tendering portal
£1,000,000 and above, up to the EU threshold	An openly advertised tender (minimum of three tenders) sought through an e tendering portal.

**Figure F3 – Approval for the submission and acceptance of all external funding bids**

<b>Approval Route</b>	<b>Authorisations Required</b>	<b>Consultation Required</b>	<b>Total Value</b>
ODN	Bid Lead Officer	Departmental Finance Manager	Up to £50,000
ODN	Service Director	Department Finance Manager	£50,001 - £100,000
ODN	Service Director Director of Finance	Relevant Cabinet Member	£100,001 - £250,000
ODN	Service Director Director of Finance	Relevant Cabinet Member Cabinet Member for Legal and Finance	£250,001 - £500,000
Committee Paper	Cabinet		£500,001 - £1,000,000
Committee Paper	Council		Over £1,000,000
<b>Any bid requiring funding from Council reserves</b>			
Committee Paper	Council		Any level

**Figure F5– Policy and Approval of Funding Intentions**

<b>Approval level</b>	<b>Value of Contribution</b>
Directors	Up to £10,000
Directors in consultation with Director of Finance and Director of Governance (or their nominated deputy) and relevant portfolio holder	£10,001 to £50,000
Cabinet Member Legal & Finance and relevant portfolio holder	£50,001 to £500,000
Cabinet	£500,001 - £1m
Council	Over £1m

**Figure F6 – Written Agreements must be signed by the relevant authority**

<b>Value of the grant given out by the Council</b>	<b>Authorised Signatory</b>
Under £10,000	Senior Manager in relevant service area
£10,001 - £50,000	Director of relevant service
Over £50,000	Two Legal authorised signatories or sealed as a deed by Legal Services  The Director of Governance and relevant Director is required to confirm a grant is the appropriate form of agreement.