

## **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 Corporate Services	Up to £250,000
Director of Corporate Services 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 Corporate Services	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 Corporate Services) 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 Corporate Services	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 Corporate Services 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 Corporate Services in consultation with Cabinet Member for

£1,000,000	Finance and 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 Corporate Services 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 Corporate Services 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 Corporate Services and (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 £10,000
Directors in consultation with Director of Corporate Services and (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 D5 – Charging Policy Approvals**

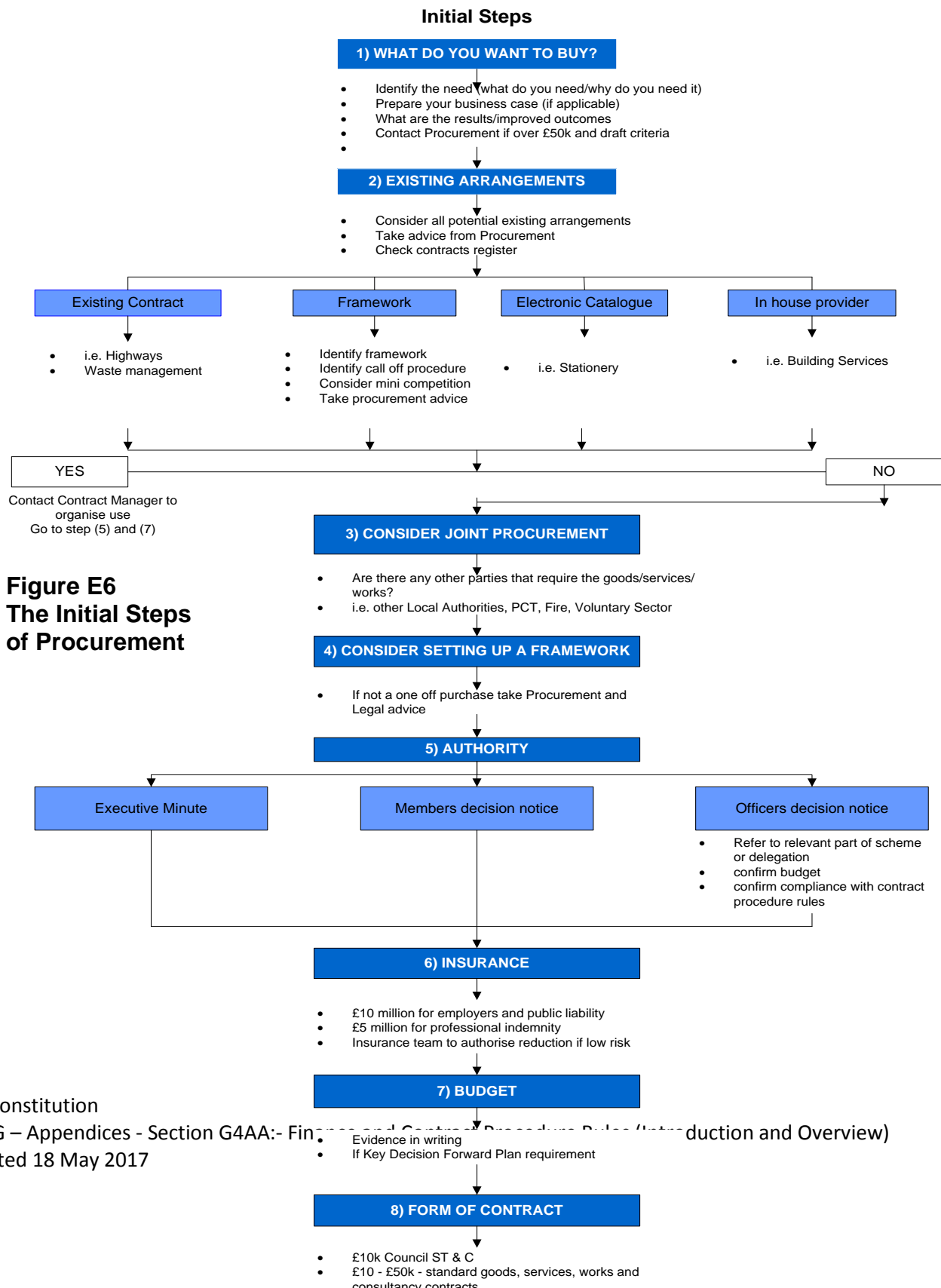
<b>Approval level</b>	<b>Financial impact</b>
Directors in consultation with portfolio holder	Up to £250,000
Cabinet Member Resources	£250,001 to £500,000
Cabinet	£500,001 to £1m
Full Council	Over £1m

**Figure D7 – Writing Off Bad Debts**

<b>Approval level</b>	<b>Bad debt amount</b>
Directors in consultation with Director of Resources (or their nominated deputy) and Director of	Up to £5,000



Governance	
Directors in consultation with portfolio holder	£5,001 to £20,000
Cabinet Member Resources	£20,001 to £100,000
Cabinet	Over £100,000



**Figure E6**  
**The Initial Steps**  
**of Procurement**

**Figure E16A – Types of Contract for Different Value Procurements**

<b>Value of Contract</b>	<b>£10,000 or under</b>	<b>Over £10,000 to £50,000</b>	<b>Over £50,000 to threshold</b>	<b>Threshold* and over</b>
<b>Type of Contracts</b>	Council's standard terms and conditions	Standard contracts available for Goods, Services Works and Consultancy		Contact Legal Services
		Industry standards such as NEC, JCT, JClI, ACE, RIBA & ICE are regularly used with Council standard amendments		
<b>Contract location</b>	Procurement intranet site	Procurement intranet site	Procurement intranet site	Contact Legal Services
<b>Contact for advice</b>	Procurement Champion	Procurement Champion	Contact Legal Services	Contact Legal Services
		Legal can provide bespoke terms if none of the available contracts are appropriate		
<b>Authority</b>	Relevant extract from Financial Scheme of Delegation	Relevant Extract from Financial Scheme of Delegation or ODN	ODN MDN or Minutes of Cabinet	ODN MDN or Minutes of Cabinet
<b>Storage of Contracts</b>	Directors must ensure a record of contract is held.	Directors must ensure record of contract is held usually in Records Management. Officers must provide details to Procurement for the Contracts Register.	Contract details will be recorded by Procurement on the Contracts Register. One original copy of the contract will be held by Records Management	Contract details will be recorded by Procurement on the Contracts Register. One original copy of the contract will be held by Records Management

**Figure A16(B) – European Procurement Thresholds**

*	<b>Supplies and Services</b>	<b>Works</b>
<b>Threshold</b>	<b>£173,934</b>	<b>£4,348,350</b>

**Figure E25(A) – The Four Procurement Processes**

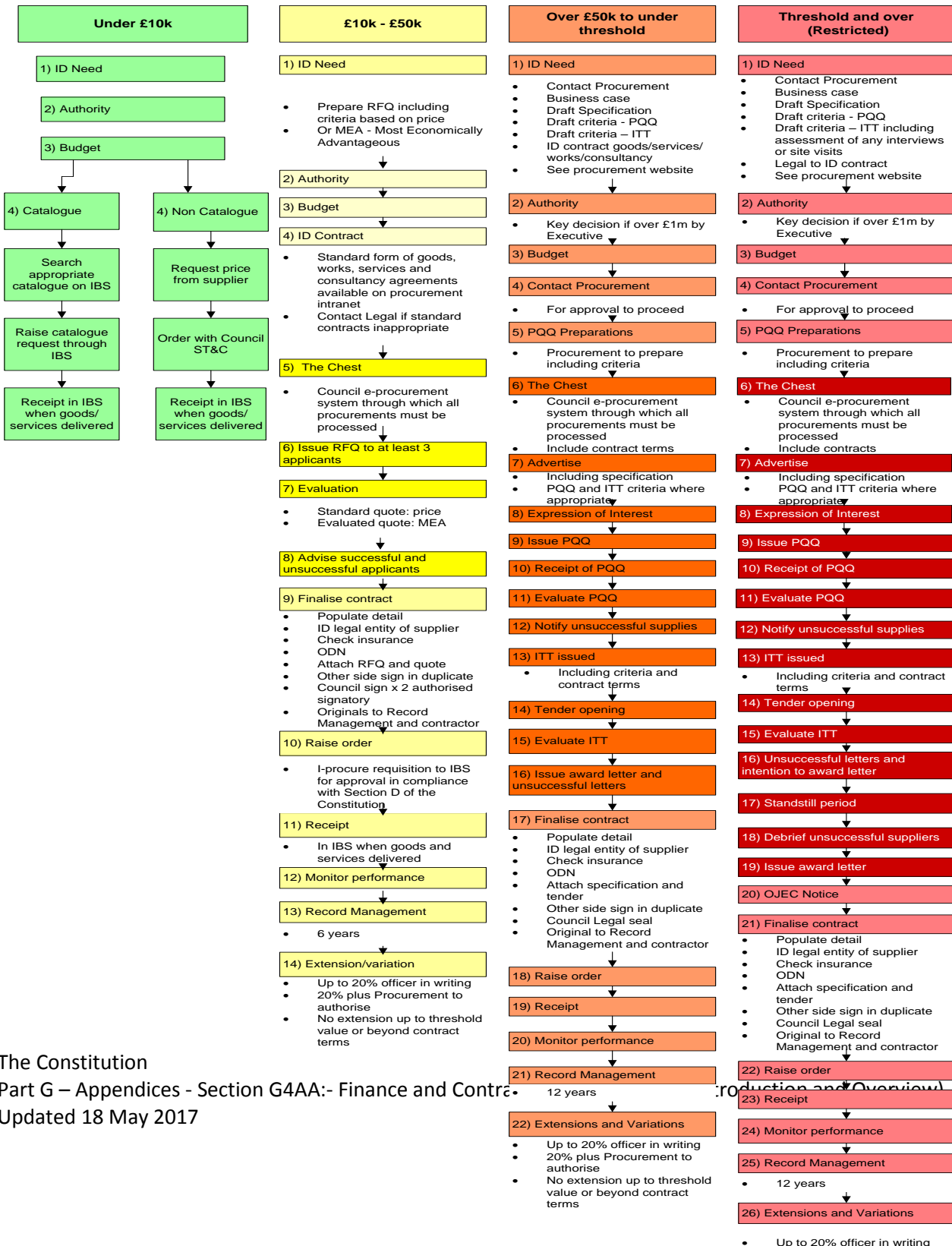
<b>Value</b>	<b>£10,000 or under</b>	<b>Over £10,000 to £50,000 (Goods and Services)</b>	<b>Over £10,000 to £150,000 (Works)</b>	<b>Over £50,000 to threshold (Good &amp; Services) Over 150K to threshold (Works)</b>	<b>Threshold * and over</b>
<b>Process</b>	Catalogue or Non Catalogue  Officers must comply with E.26-32	Comparison of three written quotes  Officers must comply with E.33-46	Comparison of three written quotes  Officers must comply with E.33-46	Formal Tender Process  Officers must comply with E47-72	Tender process in accordance with EU rules  Officers must comply with E.73-111
<b>Contact for advice</b>	Business Support	Using The Chest  Procurement to advise if required	Using The Chest  Procurement to advise	Procurement to advise	Procurement to advise

**Figure A16(B) – European Procurement Thresholds**

*	<b>Supplies and Services</b>	<b>Works</b>
<b>Threshold</b>	<b>£173,934</b>	<b>£4,348,350</b>

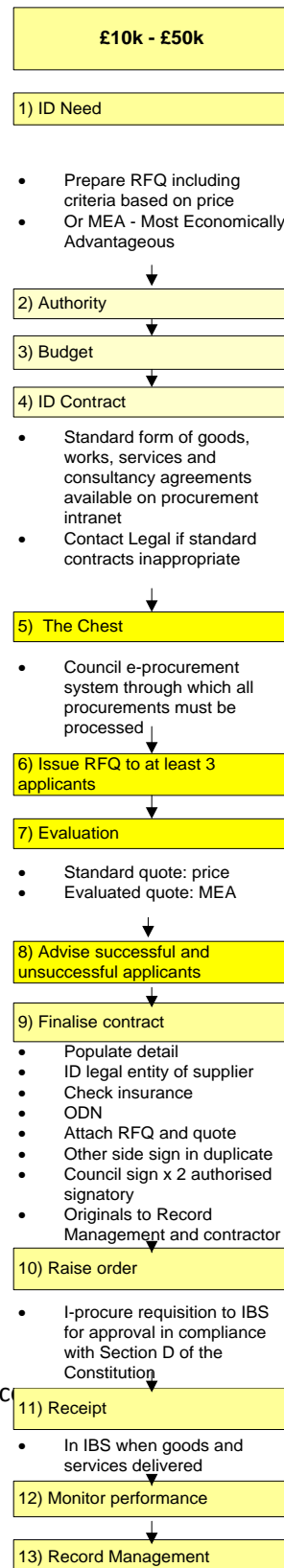
Figure E25(B) – Procurement Process Flow Chart

Procurement Processes

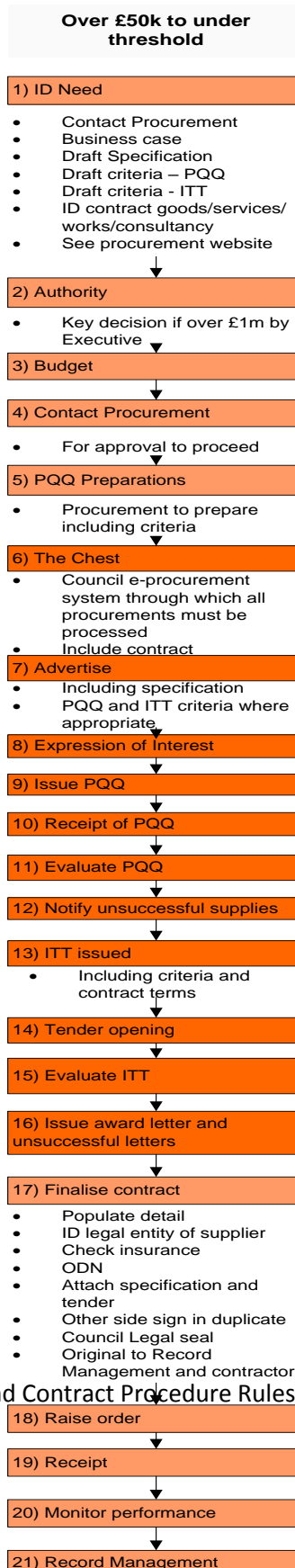


**FIGURE E26 – PROCUREMENTS BELOW £10,000 FLOW CHART**

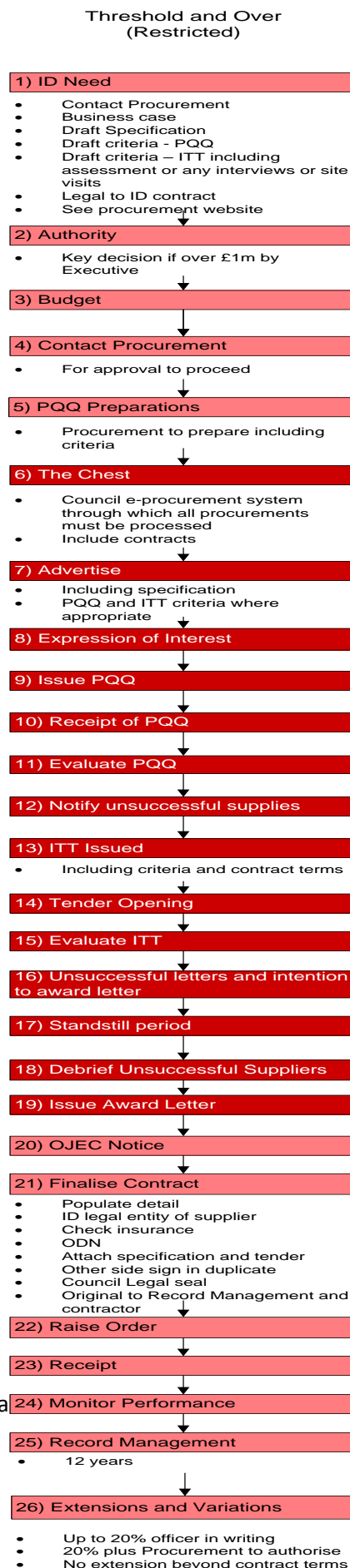
**FIGURE E33 -  
MEDIUM VALUE  
3 WRITTEN QUOTES  
£10,000 to £50,000  
(Goods and Services)  
£10,000 to £150,000  
(Works)**



**FIGURE E47  
HIGH VALUE PROCUREMENT  
£50,000 TO OJEU THRESHOLD  
(GOODS AND SERVICES)  
£150,000 TO OJEU THRESHOLD  
(WORKS)**



**Figure E84**  
**The Restricted Procedure**  
**Background Summary**  
**Flow Chart**



**Figure E116 – Sale of Council Goods and Assets**

<b>Sale with value of under £10,000</b>	<b>Sale with value under £50,000</b>	<b>Sale with value over £50,000</b>
Minimum of 3 offers required wherever possible	Procurement to advise on the need to advertise to achieve an appropriate level of interest	Advertise sale appropriately

**Figure E119 – Officers Authorised to Waive Contract Procedure Rules**

<b>Under £10,000</b>	<b>Under £50,000</b>	<b>£50,000 and over</b>	<b>Over threshold</b>
Approval of Procurement Officer	Approval of Senior Procurement Manager	Approval of Senior Procurement Manager and Director of Governance or authorised representative	Unable to waive unless exempt from the Regulations and Director of Governance and the Director of Commercial Management approval

**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
Any bid requiring funding from Council reserves			
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.

