

# CONSTITUTION AND ETHICS COMMITTEE



**Date: Thursday, 04 April 2019**

**Democratic and Members' Services**

Fiona McMillan  
Monitoring Officer

**14:00hr**

Shire Hall  
Castle Hill  
Cambridge  
CB3 0AP

**Kreis Viersen Room  
Shire Hall, Castle Hill, Cambridge, CB3 0AP**

## **AGENDA**

**Open to Public and Press**

- |           |   |                  |
|-----------|---|------------------|
| <b>1.</b> | <b>Apologies for absence and declarations of interest</b>   |                  |
|           | <i>Guidance on declaring interests is available at</i><br><a href="http://tinyurl.com/coc-conduct-code">http://tinyurl.com/coc-conduct-code</a>         |                  |
| <b>2.</b> | <b>Minutes - 28th February 2019</b>   | <b>5 - 18</b>    |
| <b>3.</b> | <b>Scheme of Financial Management</b>   | <b>19 - 84</b>   |
| <b>4.</b> | <b>Changes to Constitution - Highways &amp; Community Infrastructure<br/>and Communities &amp; Partnership Committees</b>                               | <b>85 - 94</b>   |
| <b>5.</b> | <b>Update Following Publication of the Committee on Standards in<br/>Public Life's Report on Local Government Ethical Standards in<br/>January 2019</b> | <b>95 - 110</b>  |
| <b>6.</b> | <b>Arrangements for the Appointment of Independent Person(s)</b>  | <b>111 - 118</b> |
| <b>7.</b> | <b>Chairmen-women and Vice-Chairmen-women of Committees</b>   | <b>119 - 138</b> |

<b>8.</b>	<b>Protocol on Member-Officer Relations</b>	<b>139 - 148</b>
<b>9.</b>	<b>Scheme of Delegation</b>	<b>149 - 150</b>
<b>10.</b>	<b>A Review of the Complaints Received Under the Members' Code of Conduct to End of March 2019</b>	<b>151 - 156</b>
<b>11.</b>	<b>Agenda Plan</b>	<b>157 - 158</b>

The Constitution and Ethics Committee comprises the following members:

Councillor Mac McGuire (Chairman) Councillor Kevin Reynolds (Vice-Chairman)

Councillor David Connor Councillor Lorna Dupre Councillor Roger Hickford Councillor Lucy Nethsingha Councillor Jocelyne Scutt and Councillor Peter Topping

*For more information about this meeting, including access arrangements and facilities for people with disabilities, please contact*

Clerk Name: Nick Mills

Clerk Telephone: 01223 699763

Clerk Email: Nicholas.Mills@cambridgeshire.gov.uk

The County Council is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens. These arrangements operate in accordance with a protocol agreed by the Chairman of the Council and political Group Leaders which can be accessed via the following link or made available on request: <http://tinyurl.com/ccf-film-record>.

Public speaking on the agenda items above is encouraged. Speakers must register their intention to speak by contacting the Democratic Services Officer no later than 12.00 noon three working days before the meeting. Full details of arrangements for public speaking are set out in Part 4, Part 4.4 of the Council's Constitution <https://tinyurl.com/ProcedureRules>.

The Council does not guarantee the provision of car parking on the Shire Hall site and you will need to use nearby public car parks <http://tinyurl.com/ccc-carpark> or public transport.



**CONSTITUTION AND ETHICS COMMITTEE: MINUTES**

**Date:** Thursday 28th February 2019

**Time:** 2:00pm – 3:35pm

**Place:** Kreis Viersen Room, Shire Hall, Cambridge

**Present:** Councillors M McGuire (Chairman), K Reynolds (Vice-Chairman), I Bates (substitute for Cllr D Connor), L Dupre, R Hickford, L Nethsingha and J Scutt.

**Apologies:** Councillor D Connor

**54. APOLOGIES FOR ABSENCE AND DECLARATIONS OF INTEREST**

Apologies were received from Councillor Connor, who was substituted by Councillor Bates.

There were no declarations of interest.

**55. MINUTES – 29TH NOVEMBER 2018**

The minutes of the meeting held on 29th November 2018 were confirmed as a correct record and signed by the Chairman.

**56. TRANSFER OF DELEGATED RESPONSIBILITY TO RECEIVE AND APPROVE PROPOSALS REGARDING THE COUNCIL'S EXERCISE OF POWERS COVERED BY THE REGULATION OF INVESTIGATORY POWERS ACT**

The Committee received a report recommending that the delegated responsibility to receive and approve proposals regarding the Council's exercise of powers covered by the Regulation of Investigatory Powers Act (RIPA) should be moved to the Council's Audit & Accounts Committee. Members were informed that other councils, including Peterborough City Council with whom the Council operates a shared service on Trading Standards, which comprised the majority of work related to RIPA, have this responsibility delegated to their respective Audit committees. It was noted that a joint inspection by the Investigatory Powers Commissioner's Office of the RIPA arrangements at both Cambridgeshire and Peterborough at the end of November had been a success and the inspector had approved a new joint policy for both councils which would go to each Audit Committee for approval.

It was resolved unanimously to:

Recommend to Full Council that the Constitution is amended to pass the delegated responsibility for oversight of the Council's exercise of powers under the Regulation of Investigatory Powers Act to the Council's Audit & Accounts Committee.

## 57. PUBLIC QUESTIONS

The Committee received a report proposing changes to rules relating to public questions to Council and Committees/Sub-Committees. Members were reminded that only four questions were accepted at each Council meeting and therefore the intention was to ensure that these allocations were not taken up by inappropriate questions. It was also noted that the proposals contained within the report allowed for Members to select some changes while discarding those with which they did not agree.

In discussing the proposals laid out in the report, Members:

- Expressed concern that the changes would be construed by the public as a restriction on debate and public participation, although it was acknowledged that the more explicit guidance would make the requirements clearer to members of the public and officers.
- Acknowledged that the Chairman would maintain the discretion to accept or reject questions on the basis of advice provided by the Monitoring Officer.
- Noted that although some questions were considered inadmissible for submission, it was important for the Council to still provide assistance on such enquiries outside of the meeting and to advise members of the public on the correct procedure to resolve their issue.
- Considered how the Council's ability to influence an issue could be defined, given that the phrase "something the Council is able to influence" was subjective and open to different interpretations. It was noted that while there were areas that the Council could not directly influence, it would still be able to provide indirect influence, for example through lobbying Government on national issues. It was suggested that examples on what the Council would or would not be able to influence might have given clearer guidance to those wishing to submit a question. A proposal was accepted to change the text in section 2.1 of the report to become an addition to the current version, rather than a replacement.
- Noted that although public questions were accepted at Cambridgeshire and Peterborough Combined Authority meetings, they were restricted to items included on the agenda and that therefore Public Question Time in Council meetings provided a forum for the public to present questions on other issues. Some Members also expressed concern that the Combined Authority meetings were held all over the County and therefore it was difficult for many members of the public to attend meetings.
- Considered clarifying that planning applications would have to be ongoing or current in order to have a question turned down, but it was argued that the judicial process involved in planning was complex and it was hard to define when a project was current or ongoing. Members expressed concern that there were legitimate questions related to planning applications which should be considered by Council and it was acknowledged that the Chairman would accept such questions if the monitoring officer judged that they did not impact on the planning application in question.
- Clarified that members of staff would be able to present questions on personal issues that were unrelated to professional matters.

- Expressed concern about restricting providers from submitting questions although it was acknowledged that the proposal was based on legal considerations. A clause was added to the text proposed on the issue raised in section 2.7 of the report to clarify that providers could submit a question that was unrelated to specific contract issues with the Council.
- Clarified that restricting questions that consisted of multiple parts was a means to avoid questions covering multiple areas, although it was accepted that some questions were on one area while covering multiple issues.

It was resolved to:

Approve the amendments to the Constitution, as set out in the amended Appendices 1 and 2 attached to these minutes and recommend the changes to Full Council.

## 58. MOTIONS TO COUNCIL

The Committee received a report containing proposed changes to the rules relating to motions to Council. Attention was drawn to section 2.2 of the report and Members were informed that the proposal was for motions to be submitted in their intended final form, although adjustments could then be made at a later date if required.

In discussing the report, Members:

- Agreed that the Constitution should be updated to accommodate the widespread tendency towards digital correspondence alongside written correspondence.
- Acknowledged that the current practice of considering motions during the meeting in the order in which Democratic Services had been informed of the simple intention to submit a motion without any detail of the wording, proved impractical and unfair. Members were informed that officers were not aware of any other council interpreting standing orders in this way.
- Raised the point that there were occasions when it was clear from an early date that a motion would be submitted at the next meeting, although the actual content could not be determined until closer to the time. It was suggested that a draft or rough summary should be considered sufficient for the motion to be accepted and added to the agenda, although it was noted that it needed to include sufficient information for the Monitoring Officer to be able to determine whether it could be moved. It was agreed to amend the text in the constitutional change, as indicated in **Appendix 3** of these minutes, to clarify this.
- Members expressed concern about sharing the content of a motion before it was published but it was clarified that motions were kept confidential and not shared beyond the Monitoring Officer until they were discussed by Group Leaders in meetings before Council meetings.
- Agreed that setting a time limit for motions in Council would not benefit the flow or quality of debate and would potentially encourage time-wasting to prevent further consideration of motions.

- Discussed a limit of one motion per Councillor, but there were concerns that this favoured the political groups with a higher number of Members. After discussing distributing a set limit along party proportionality lines, it was agreed to implement a simple limit of 5 motions for each Council meeting, noting that the Chairman had discretion to accept further motions if deemed appropriate. It was noted that any backlog of motions rejected from previous meetings should be avoided.
- Observed that some issues affected more than just the one committee that usually dealt with them, with an example being given of the Council relocation from Shire Hall. Although such matters had been delegated to committees, it was agreed that this should not necessarily exclude them from being considered by Council.
- Suggested that the proposal to include points of accuracy in the rules of procedure would actually prove counter-productive by encouraging Members to interrupt opponents in their speeches with subjective accusations of inaccuracy.
- Agreed that officers should be able to address the Council, although only when necessary and only when requested to do so by the Chairman.

It was resolved to:

Approve the amendments to the Constitution, as set out in the amended Appendix 3 attached to these minutes and recommend the changes to Full Council.

## **59. COMPLAINTS REVIEW REPORT 18.02.19**

The Committee received a review on the number and nature of complaints received about Members under the Code of Conduct from 29th November to 18th February. It was noted that of the two complaints raised during this time period, one had been withdrawn. The second complaint was still ongoing and the Committee was informed that it would receive details upon conclusion of the complaints process. Members noted the Monitoring Officer's comments on a delay in processing complaints due to her absence on sick leave.

It was resolved unanimously to:

Note the contents of the report.

## **60. AGENDA PLAN**

The Committee considered its agenda plan.

Chairman  
4th April 2019



**Extract from Constitution****9.3 Public Question Time**

There will be an opportunity for up to four members of the public to ask questions at meetings of the County Council, excluding extraordinary or special meetings of the Council and the first annual meeting of a new Council, to the Leader of the Council and the Chairman/woman of any Committee.

If more than four members of the public apply to speak, questioners will be invited to defer their question to the next meeting. The Democratic Services Officer will ensure that all steps are taken to inform the “unsuccessful” speakers in advance and, where they either choose not to defer their question or do not reply, a written reply will be sent within ten working days after the meeting.

*(Any decision to exceed the limit will be at the discretion of the Council Chairman/woman.)*

Members of the public wishing to ask a question at the Council meeting should provide the following details to the Council’s Democratic Services by no later than 12.00 noon, five working days before the meeting:

- Name and address and contact details of the person asking the question.
- The name of the organisation if the question is being asked on their behalf.
- Details of the question to be asked.
- The name or position of the member of the Council to whom it is to be put.
- Brief information about how the subject of the question relates to the person asking the question (e.g. as a resident of the area, as a recipient of a service, as the owner of a property affected by a proposal).

Only one question may be asked by each member of the public or organisation and the question must relate to a single topic. A question which is substantially the same as a question which has been put at a meeting of the Council in the past six months will not be allowed.

If the Monitoring Officer considers a question:

- is not about a matter for which the local authority has a responsibility or which affects the County **and is something the Council is able to influence**;
- is illegal, improper, defamatory, frivolous or offensive; or
- requires the disclosure of confidential or exempt information;
- **is within the remit of the Cambridgeshire and Peterborough Combined Authority**;
- **relates to a planning application**;
- **is from an employee of the Council except when acting as Trade Union representatives or private individuals, as they have sufficient channels of communication, both internally and through their representative bodies**;
- **is from a provider the Council contracts with or chooses not to contract with unless unrelated to those specific contracts**;
- **relates to separate appeal, adjudication, litigation, mediation or dispute resolution**;
- **is about the conduct of individual Councillors or employees; or**

- **is in multiple parts.**

he or she will inform the Chairman/woman who will then decide whether or not to reject the question.

Members of the public shall have up to two minutes in which to ask the question.

The named member will respond to the question which may take the form of:

- (a) a direct oral response of up to a maximum of two minutes;
- (b) where the desired information is in a publication of the Council or other published work, a reference to that publication; or
- (c) where the reply cannot conveniently be given orally, a written response circulated later to the questioner and made available to all members of Council and to the public.

After the response has been given, the questioner has up to a further minute in which to put one supplementary question or seek clarification of the response to the original question. The supplementary question must arise directly out of the original question or the reply and must not introduce new material.

The recipient of the original question then has up to a further two minutes in which to reply to the supplementary question.

No debate will be allowed on any question or the response.

If the questioner cannot be present at the council meeting to pose her/his [sic] question, a written question will be accepted and answered in writing.

**Extract from Constitution****9. PUBLIC SPEAKING AT COUNTY COUNCIL COMMITTEES****9.1 Public Speaking at County Council Committee Meetings**

The County Council recognises the value that can be added by enabling contributions by the public to meetings of council committees and in order to facilitate this, the Chairman/woman or the person presiding at a meeting of a council committee may, at their absolute discretion, grant permission to a member of the public to speak during the meeting.

Speakers will usually only be permitted to speak once in any debate and speeches will usually be time limited to three minutes. Permission to speak may be refused **if the anticipated contribution:**

- **is not relevant to the agenda items of the meeting;**
- **is substantially the same as a question which has been put at a meeting of a Committee or Sub-Committee in the past six months;**
- **is illegal, improper, defamatory, frivolous or offensive;**
- **requires the disclosure of confidential or exempt information;**
- **is from a provider the Council contracts with or chooses not to contract with unless unrelated to those specific contracts;**
- **relates to separate appeal, adjudication, litigation, mediation or dispute resolution;**
- **is about the conduct of individual Councillors or employees; or**
- **is in multiple parts.**

~~in circumstances where this is not conducive to the orderly conduct of council business including where it is likely, in the opinion of the Chairman/ woman, that defamatory, vexatious, discriminatory or offensive language will be used.~~

~~Permission to speak may also be declined if the anticipated contribution is not relevant to the agenda items of the meeting and where a question is substantially the same as a question which has been put at a meeting of a Committee or Sub-Committee in the past six months.~~

In order to assist meeting organisers members of the public\* wishing to speak at a Committee meeting\*\* are asked to make a request in writing no later than 12.00 noon three working days before the meeting via letter to the Democratic Services Officer, Democratic and Members' Services, SH1102, Cambridgeshire County Council, Shire Hall, Cambridge CB3 0AP or via e-mail (this information is available at the bottom of the agenda front sheet) and provide the following details:

- **Name, address and contact details** of the person making a comment or asking a question
- **Details of the request to speak:** The full text of the question to be asked or a list of the main points regarding a comment about a matter on the agenda.

(Requests to speak received after the three day deadline may be permitted, at the discretion of the relevant Committee Chairman/woman.)

## 9.2 Participating in a Committee Meeting

If registered to speak, members of the public should arrive at the venue (usually Shire Hall) at least 15 minutes before the start of the meeting and report to the Democratic Services Officer present. The register of speakers will be kept by Democratic Services and provided to the Chairman/woman in advance of the meeting. No more than three speakers will normally be permitted per subject at a meeting (subject to the Chairman/woman's discretion). Only one question or comment may be allowed per speaker.

When the meeting reaches the agenda item, the Chairman/woman will ask the member of the public to speak. The member of the public is asked to behave appropriately for the nature of the meeting, and show courtesy and respect to everyone present. He/she should not make any remarks which are offensive, defamatory, insulting or discriminatory. The time limit to pose a question or make a comment will be three minutes for each speaker. The Democratic Services Officer will time each speaker to ensure that he/she does not exceed three minutes. The member of the public must cease speaking when so instructed by the Chairman/woman. The Chairman/woman may allow questions from Committee members to the speaker for clarification only.

The Chairman/woman will deal with the question or statement, or request that an appropriate Member or Officer reply orally. If this is not possible, the member of the public will be provided with a written answer using the contact details provided within ten working days.

If there should be a large number of requests for public speaking regarding one or more items on the agenda, the Chairman/woman may take steps to ensure that the meeting can be conducted in an appropriate fashion; for example, move the agenda item to the beginning of the meeting or limit the number of speakers. If the Chairman/woman should decide to limit the number of speakers, the Democratic Services Officer will ensure that all steps are taken to inform the "unsuccessful" speakers in advance and a written reply will be sent within ten working days after the meeting.

This process does not apply to County Councillors as their speaking rights as non-Committee members are covered under 'Attendance of other County Councillors' below. It also does not apply to employees of the Council except when acting as Trades Union representatives or private individuals, as they have sufficient channels of communication, both internally and through their representative bodies.

*\* For the purposes of this guide a "member of the public" is defined simply as anyone who lives or works in Cambridgeshire or is affected by a decision made in Cambridgeshire.*

*\*\* This procedure does not apply to meetings of Full Council and Planning Committee as these meetings have their own procedures.*

**Extract from Constitution**

**10. MOTIONS ON NOTICE**

**10.1 Notice**

Except for motions which can be moved without notice under Rule 11, written **or electronic** notice of motions for discussion at Council meetings, excluding extraordinary or special meetings **and the annual budget meeting** of the Council or the first annual meeting of a new Council, must be delivered to the Proper Officer not later than 12.00 noon 14 days before the date of the meeting. The Proper Officer will maintain a public record of all motions submitted. **Any Councillor may give notice of not more than one motion for consideration at an ordinary meeting.**

**Other than at the annual budget meeting for which no notices of motions shall be accepted, a maximum of five motions shall be accepted for debate at an ordinary meeting of the Council under this standing order.**

**10.2 Motion set out in Agenda**

Motions for which notice has been given will be listed on the agenda in the order in which notice **of the full written motion in its draft form** was received, unless the member giving notice states, in writing, that he/she proposes to move it to a later meeting or withdraw it.

**10.4 Motions affecting Councillor or persons employed by the Council**

**Motions will not be permitted to raise the competence or performance of a councillor or officer, nor any matter involving exempt information or normally considered 'confidential'. A motion cannot make any abusive or defamatory comments.**

**11. MOTIONS WITHOUT NOTICE**

The following motions may be moved without notice:

- (a) To appoint a Chairman/woman of the meeting at which the motion is moved.
- (b) In relation to the accuracy of the minutes.
- (c) To change the order of business in the agenda.
- (d) To refer something to an appropriate body or individual.
- (e) To appoint a committee or member arising from an item on the summons for the meeting.
- (f) To receive reports or adoption of recommendations of committees or officers and any resolutions following from them.
- (g) To withdraw a motion.
- (h) To amend a motion.
- (i) To proceed to the next business.
- (j) That the question be now put.
- (k) To adjourn a debate.
- (l) To adjourn a meeting.
- (m) To suspend a particular Council Procedure Rule.

- (n) To exclude the public and press in accordance with the Access to Information Rules.
- (o) To not hear further a member named under Rule 19.3 or to exclude him/her from the meeting under Rule 19.4.
- (p) To give the consent of the Council where its consent is required by this Constitution.

## **12. RULES OF DEBATE**

### **12.1 No Speeches Until Motion Seconded**

No speeches may be made after the mover has moved a proposal and explained the purpose of it until the motion has been seconded.

### **12.2 Right to Require Motion or Amendment In Writing**

Unless notice of the motion or amendment has already been given, the Chairman/woman may require it to be written down and handed to him/her before it is discussed.

### **12.3 Secunder's Speech**

When seconding a motion or amendment, a member may reserve his/her speech until later in the debate.

### **12.4 Content and Length of Speeches**

Speeches must be directed to the question under discussion or to a personal explanation or point of order. No speech may exceed five minutes without the consent of the Chairman/woman.

### **12.5 When a Member may Speak Again**

A member who has spoken on a motion may not speak again whilst it is the subject of debate, except:

- (a) To speak once on an amendment moved by another member.
- (b) To move a further amendment if the motion has been amended since he/she last spoke.
- (c) If his/her first speech was on an amendment moved by another member, to speak on the main issue (whether or not the amendment on which he/she spoke was carried).
- (d) In exercise of a right of reply.
- (e) On a point of order.
- (f) By way of personal explanation.

### **12.6 Amendments to Motions**

- (a) An amendment to a motion must be relevant to the motion and will either be:
  - (i) To refer the matter to an appropriate body or individual for consideration or reconsideration.
  - (ii) To leave out words.
  - (iii) To leave out words and insert or add others.

(iv) To insert or add words.

~~(v)~~ As long as the effect of (ii) to (iv) is not to negate the motion.

- (b) An amendment to a motion must be delivered to the Monitoring Officer and Democratic Services Manager in its intended final form not later than noon one working day before the date of the meeting at which the motion is to be considered. If more than one amendment is received, amendments will be taken at the meeting in the order in which they were received by the Democratic Services Manager

If no withdrawal, confirmation or change is received by the Monitoring Officer, it will be assumed that the amendment is to be considered in its initial form.

No other amendment may be moved at the meeting except where the Chairman/woman of Council may permit, at his or her absolute discretion, in exceptional circumstances and to ensure the efficient or proper discharge of the Council's business, a further amendment or amendments to be moved.

- (c) Only one amendment may be moved and discussed at any one time. No further amendment may be moved until the amendment under discussion has been disposed of.
- (d) If an amendment is not carried, other amendments to the original motion may be moved.
- (e) If an amendment is carried, the motion as amended takes the place of the original motion. This becomes the substantive motion to which any further amendments are moved.
- (f) After an amendment has been carried, the Chairman/woman will advise the meeting of the content of the amended motion before accepting any further amendments, or if there are none, put it to the vote.

## **12.7 Alteration of Motion**

- (a) A member may alter a motion of which he/she has given notice with the consent of the meeting. The meeting's consent will be signified without discussion.
- (b) A member may alter a motion which he/she has moved without notice with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion.
- (c) Only alterations to the motion which could be made as an amendment may be made.

## **12.8 Withdrawal of Motion**

A member may withdraw a motion which he/she has moved with the consent of both the meeting and the seconder. The meeting's consent will be signified without discussion. No member may speak on the motion after the mover has asked permission to withdraw it unless permission is refused.

## 12.9 **Right of Reply**

- (a) The mover of a motion, whether amended or not, has a right to reply at the end of the debate on the motion, immediately before it is put to the vote.
- (b) If an amendment is moved, the mover of the original motion has the right of reply at the close of the debate on the amendment, but may not otherwise speak on it.
- (c) The mover of the amendment has no right of reply to the debate on his/her amendment.

## 12.10 **Motions which may be Moved During Debate**

When a motion is under debate, no other motion may be moved except the following procedural motions:

- (a) To withdraw a motion.
- (b) To amend a motion.
- (c) To proceed to the next business.
- (d) That the question be now put.
- (e) To adjourn a debate.
- (f) To adjourn a meeting.
- (g) To exclude the public and press in accordance with the Access to Information Rules.
- (h) To not hear further a member named under Rule 19.3 or to exclude him/her from the meeting under Rule 19.4.

## 12.11 **Closure Motions**

- (a) A member may move, without comment, the following motions at the end of a speech of another member:
  - (i) to proceed to the next business.
  - (ii) that the question be now put.
  - (iii) to adjourn a debate.
  - (iv) to adjourn a meeting.
- (b) If a motion to proceed to next business is seconded and the Chairman/woman thinks the item has been sufficiently discussed, he/she will give the mover of the original motion a right of reply and then put the procedural motion to the vote.
- (c) If a motion that the question be now put is seconded and the Chairman/woman thinks the item has been sufficiently discussed, he/she will put the procedural motion to the vote. If it is passed he/she will give the mover of the original motion a right of reply before putting his/her motion to the vote.



- (d) If a motion to adjourn the debate or to adjourn the meeting is seconded and the Chairman/woman thinks the item has not been sufficiently discussed and cannot reasonably be so discussed on that occasion, he/she will put the procedural motion to the vote without giving the mover of the original motion the right of reply.

#### **12.12 Point of Order**

A member may raise a point of order at any time. The Chairman/woman will hear them immediately. A point of order may only relate to an alleged breach of these Council Rules of Procedure or the law. The member must indicate the rule or law and the way in which he/she considers it has been broken. The ruling of the Chairman/woman on the matter will be final.

#### **12.13 Personal Explanation**

A member may make a personal explanation at any time. A personal explanation may only relate to some material part of an earlier speech by the member which may appear to have been misunderstood in the present debate. The ruling of the Chairman/woman on the admissibility of a personal explanation shall be final.

#### **12.14 Officers Addressing the Council**

**Officers will not normally be called upon to address the Council or to answer questions unless specifically requested to do so by the Chairman/woman of the Council. This rule shall not apply to the provision of procedural advice by the Monitoring Officer or to the Head of Paid Service and Chief Finance Officer when acting in their statutory roles.**

### **13. STATE OF COUNTY DEBATE**

- 13.1 The Chairman/woman, in consultation with the Leader, may convene meetings of the Council to discuss matters relating to the state of the County. The application of these Rules to such meetings may be varied in accordance with a detailed protocol agreed by the Council.

### **14. PREVIOUS DECISIONS AND MOTIONS**

#### **14.1 Motion to Rescind a Previous Decision**

A motion or amendment to rescind a decision made at a meeting of Council within the past six months cannot be moved unless the notice of motion is signed by at least a third of members.

#### 14.2 **Motion Similar to One Previously Rejected**

A motion or amendment in similar terms to one that has been rejected at a meeting of Council in the past six months cannot be moved unless the notice of motion or amendment is signed by at least a third of members. Once the motion or amendment is dealt with, no one can propose a similar motion or amendment for six months.

**SCHEME OF FINANCIAL MANAGEMENT**

*To:* **Constitution and Ethics Committee**

*Meeting Date:* **4th April 2019**

*From:* **Chief Finance Officer**

*Purpose:* **To present the updated Scheme of Financial Management.**

*Recommendation:* **Constitution and Ethics Committee is recommended to:**

- a) Review the updated Scheme of Financial Management (Appendix 1).**
- b) Recommend to Full Council that it approves the revised Scheme of Financial Management for inclusion in the Council's Constitution.**

<b><i>Officer contact:</i></b>	<b><i>Member contact:</i></b>
Name: Chris Malyon	Name: Councillor Mac McGuire
Post: Chief Finance Officer	Chairman: Constitution and Ethics Committee
Email: <a href="mailto:Chris.Malyon@cambridgeshire.gov.uk">Chris.Malyon@cambridgeshire.gov.uk</a>	Email: <a href="mailto:mac.mcguire@cambridgeshire.gov.uk">mac.mcguire@cambridgeshire.gov.uk</a>
Tel: 01223 699796	Tel: 01223 706398 (office)

## **1. BACKGROUND**

- 1.1 The Scheme of Financial Management (SoFM) sets out the Council's financial regulations. The regulations are required by law and by the Council's Constitution (Part 4: Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council's financial affairs and should be read in conjunction with the Scheme of Delegation to Officers, which is contained within Part 3 (Responsibility for Functions) of the Council's Constitution.
- 1.2 The Chief Finance Officer is designated under Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council's affairs. The SoFM is therefore a vital document to ensure the CFO meets this obligation.
- 1.3 As approved by General Purposes Committee (GPC) in March 2016, the Chief Finance Officer, in consultation with the Chair of GPC, has delegated authority to approve any changes as may be necessary from time to time to reflect and take account of changes in legislation, guidance, Council policy, decisions of the Council and any drafting changes or improvements to the Scheme of Financial Management. However this shall not include any changes of substance. As the latest updates to the SoFM are considered to be changes of substance, on this occasion the updated SoFM is being brought to the Constitution and Ethics Committee for approval.

## **2. MAIN ISSUES**

- 2.1 Following the change of financial system from Oracle e-Business Suite to ERP Gold at the beginning of 2018/19, a fundamental review of the Scheme of Financial Management has been undertaken to ensure that updated policies and procedures have been incorporated.
- 2.2 Recent updates to the SoFM include:
  - The previous section 5.0, 'Appraisal of new Schemes/ Projects' has been split into two sections, 5.0, 'Appraisal of new Capital Schemes/Projects' and 7.0 'Appraisal of new Revenue Schemes/Projects' to clarify the processes and content required for capital and revenue business cases. In particular 5.2 has been expanded to include reference to the Capital Programme Board approval process regarding capital business cases.
  - Section 5.3 has been added, which gives the Chief Finance Officer delegated power to approve new capital bids, provided that the amount does not exceed a fixed sum of £250k; this is in line with the capital virement thresholds detailed in appendix H. Similarly section 6.4 has been updated which gives the Chief Finance Officer delegated power to approve exceptional supplementary capital estimates, provided that the amount does not exceed a fixed sum of £250k.
  - Updates to section 9.1 regarding Trading Activity, clarifying the processes

around a traded unit realising a surplus or a deficit at year end.

- Updates to section 10.1 regarding Fees and Charges to bring it in line with the Fees and Charges best practice guidance included within the Business Plan, clarifying that a schedule of proposed fees and charges should be agreed for the financial year and that any changes to this schedule should be approved via the Fees and Charging Request Template (included in appendix J). An overall Schedule of Fees and Charges for discretionary charges will be maintained by the Chief Finance Officer and will be published on the Council's website.
- The Debt Policy incorporates the latest LGSS Collections Strategy – section 13.
- Section 17.0, Purchasing of Goods/ Works/ Services has been updated in line with new processes following the change to the ERP Gold financial system. In particular this includes,
  - revised approval limits in section 17.11 and 17.12
  - information on the authorisation of spend on packages of care within ERP Gold paid through the Mosaic system in section 17.11 (with further details in appendix I);
  - an update regarding electronic invoices being the main method of receiving invoices rather than postal, in sections 17.22 and 17.23.
- Section 20.8 has been added regarding the Grants to External Organisations policy including a hyperlink to the policy.
- Section 31.4, Substitution of Financial Responsibility has been included following a change of process whereby budget holders can no longer delegate authority; instead when planning an absence budget holders are required to request a temporary substitute budget holder with a role higher up the ERP Gold Tier Hierarchy.
- Section 31.7.9 has been updated regarding the balancing of any service outturn under/overspends to the General Fund rather than to service reserves.
- Appendix A, Statement of Financial Responsibilities, has been updated under the Head of Finance and Strategic Finance Managers section to add a bullet point clarifying that part of the responsibility of these officers is to deputise for the Section 151 Officer when required and to have delegated authority to sign financial claims, bids, and other financial statements and reports on behalf of the Section 151 Officer.
- Appendix H, Authorisation of Virement Proposal- the revenue budget virement limit for GPC approval has been increased in line with inflation to £175,000.
- A general review of the document to ensure that financial system

references relate to ERP Gold, that directorate, team and role names reflect the current organisational structure of the Council, and that hyperlinks relate to the latest web pages.

- 2.3 The latest SoFM can be found in **Appendix 1**.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 A good quality of life for everyone**

There are no significant implications for this priority.

#### **3.2 Thriving places for people to live**

There are no significant implications for this priority.

#### **3.3 The best start for Cambridgeshire's children**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

There are no significant implications within this category.

#### **4.2 Statutory, Risk and Legal Implications**

There are no significant implications within this category.

#### **4.3 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.4 Engagement and Consultation Implications**

There are no significant implications within this category.

#### **4.5 Localism and Local Member Involvement**

There are no significant implications within this category.

#### **4.6 Public Health Implications**

There are no significant implications within this category.

Source Documents	Location
Scheme of Financial Management	1 <sup>st</sup> Floor, Octagon, Shire Hall, Cambridge





# **SCHEME OF FINANCIAL MANAGEMENT**

## **FINANCIAL REGULATIONS**

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## **FINANCIAL REGULATIONS**

### **1.0 GENERAL CONTEXT**

- 1.1 These Regulations are required by law and by the Council's Constitution (Part 4.5 - [Financial and Contract Rules](#), which is contained within Part 4 – Rules of Procedure). They detail the responsibility of officers in ensuring the proper administration of the Council's financial affairs.
- 1.2 The Chief Finance Officer is designated under the Section 151 of the Local Government Act 1972 to be responsible for the proper administration of the Council's financial affairs. He / she is also responsible under Section 114 of the Local Government Finance Act 1988 to report formally any instance of unlawful expenditure (potential or actual) to the authority's members and external auditors.
- 1.3 The Regulations should be read in conjunction with the [Scheme of Delegation to Officers](#) (Part 3D, which is contained within Part 3 – Responsibility for Functions) including, in particular, the Finance limits of Delegated Powers to Executive Directors (People & Communities and Place & Economy) and Directors (Customer Service and Transformation and Public Health), hereafter referred to as Executive Directors and Directors.

### **2.0 FINANCIAL CONTROL – GENERAL**

- 2.1 Each Executive Director or Director must immediately inform the Chief Finance Officer of any matters arising, decision or course of action or proposed decision, proposed course of action or entry of an item of account relating to his / her Service/Corporate Directorate, which may give rise to a report under Section 114 of the 1988 Act (see Regulation 1.2 above).
- 2.2 The [Statement of Financial Responsibilities](#) (Appendix A) details the responsibilities and reporting, to conform with Sections 114 and 151, to be discharged by the following officers:
- (i) [Chief Executive](#)
  - (ii) [Chief Finance Officer](#)
  - (iii) [Executive Directors \(People & Communities and Place & Economy\) and Directors \(Corporate & Customer Services, Public Health and Business Improvement & Development\)](#)
  - (iv) [Head of Finance and Strategic Finance Managers](#)
  - (v) [Service Directors](#)
  - (vi) [Chief Internal Auditor](#)

This appendix also includes the delegated authority to the General Purposes Committee.

- 2.3 Each Executive Director or Director shall ensure that all the documents that comprise the overall Scheme of Financial Management are observed throughout his / her Service. Where a Service wishes to operate more detailed schemes of local financial management, these must be consistent with Financial Regulations and be approved by the Chief Finance Officer.

Any such schemes are subsidiary to the overall Scheme of Financial Management, which takes precedence. Schemes of local financial management currently approved under this section are:

- Education - Scheme of Financial Management for Schools

2.4 No Service shall:

- (a) cause or allow its expenditure, whether of a revenue or capital nature, to exceed its financial allocation, including any subsequent variations made available to it;
- (b) divert financial provision from one heading to another heading in the revenue estimates, or from one project to another in the capital estimates, except in accordance with the rules for virement as specified in the [Finance Management Arrangements for Services](#) (section 31.0).

2.5 Each Executive Director or Director is responsible for the control of workers and the security, custody and control of all other resources including plant, buildings (except where they are the responsibility of the Chief Finance Officer), materials, cash and stores appertaining to his / her Service.

2.6 Financial and management responsibilities must be aligned, so that managers are responsible for the financial consequences of their decisions. A single Budget Holder must be assigned to each budget i.e. cost centre. The discharge of budget management responsibilities will be appraised through the Council's scheme of performance management.

### **3.0 FINANCIAL SYSTEMS / RECORDS**

3.1 The Chief Finance Officer is responsible for the operation of the County Council's accounting system, the form of accounts and the supporting financial records.

3.2 The ERP Gold system shall be the prime system upon which final assessments of financial performance shall be made, and statutory accounts, grant claims and budgets must be reported from data held on ERP Gold. Services must seek authorisation from the Chief Finance Officer before implementing local financial systems and will use the Council's ERP Gold system as the overall accounting record. The sole approved exception relates to schools, who are authorised to operate local bank accounts in accordance with the Council's Scheme of Financial Management for Schools.

3.3 Services must reconcile any local accounting records to the Council's central financial information system throughout the course of the financial year.

3.4 All documents, invoices, etc., pertaining to transactions on central and local accounting systems must be retained in accordance with the requirements set out in [Appendix B](#) (Retention of Financial Records).

### **4.0 BANKING / CASH MANAGEMENT / TRUST FUNDS**

4.1 The Chief Finance Officer has delegated responsibilities for the Treasury Management function (management of debt and the borrowing and

investment of money) and arranging and operating the Council's banking facilities. This means that no other officers are empowered to open any kind of bank account, to invest or borrow any money, or to enter into any credit arrangement. The exception on bank accounts is where schools are given permission to open accounts in accordance with the Council's Scheme of Financial Management for Schools.

- 4.2 All of the Council's bank accounts should be maintained in accordance with the [Scheme of Operation](#) approved by the Chief Finance Officer.
- 4.3 The County Council adopts the key recommendations of CIPFA's *Treasury Management in the Public Services: Code of Practice* (the Code), as described in Section 4 of that Code.

Accordingly, the Council will create and maintain:

- a treasury management policy statement, stating the policies and objectives of its treasury management activities
- suitable treasury management practices (TMPs), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The 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 TMPs.

The County Council delegates responsibility for the implementation and monitoring of administration of treasury management decisions to the Chief Finance Officer, who will act in accordance with the organisation's policy statement and TMPs, and CIPFA's *Standard of Professional Practice on Treasury Management*.

- 4.4 The Chief Finance Officer has delegated responsibility for the management of Trust Funds. This covers all types of funds held on behalf of personal clients or charities, whether acting in the capacity of an appointee, a trustee, or a nominated receiver. A record of all such arrangements must be held by relevant Finance Units and all related tax affairs must be dealt with expeditiously on the client's behalf.

## **5.0 APPRAISAL OF NEW CAPITAL SCHEMES / PROJECTS**

- 5.1 Any new capital scheme or project costing more than £10,000 shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:-
- (a) objectives and outcomes;
  - (b) ongoing revenue impact over life of project;
  - (c) net present value;
  - (d) sensitivity to changes in key assumptions;
  - (e) analysis of options;

- (f) analysis of risks and impact;
  - (g) statement of how project will be managed and reviewed;
  - (h) statement that project is affordable and funding source has been specified;
  - (i) whether the scheme is an 'invest to save' project;
  - (j) an estimate of the full value of any capital receipt expected to be received (if applicable).
- 5.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

Project justifications for capital schemes will be prioritised within the framework and assessment process as set out in the Council's Capital Strategy. In order to complete the above appraisal, a [business case](#) must be completed for each capital project, which will be approved by the relevant Finance Business Partner and then considered by the Capital Programme Board. The business case must be approved by the Board before the project can be included in the Service's capital programme and presented to the relevant Service Committee for approval.

- 5.3 The Chief Finance Officer has delegated power to approve new capital bids, provided that the amount does not exceed a fixed sum of £250k (in line with the capital virement thresholds detailed in [appendix H](#)).

## **6.0 FINANCIAL CONTROL – CAPITAL**

- 6.1 The inclusion of an item in a Service Block's approved capital programme shall confer authority on the relevant Executive Director or Director to incur that expenditure provided that:
- (a) the scheme has been appraised in accordance with [Regulation 5](#).
  - (b) where the scheme is to be financed from earmarked funds from Government, approval to capital expenditure has been obtained from the relevant Government department;
  - (c) the method of financing has been determined;
  - (d) budget provision exists to meet any revenue consequences;
  - (e) property transactions do not exceed the values set out in the [Scheme of Delegation to Officers](#) (Part 3D, see A5, A6 – which is contained within Part 3 – Responsibility of Functions).
- 6.2 Budgets that trade have no power to borrow externally to meet capital expenditure requirements. Any expenditure arising must be financed directly from revenue or from accumulated reserves or via internal borrowing arrangements agreed by the Chief Finance Officer.

- 6.3 The Chief Finance Officer has delegated power to sanction any virement between capital schemes, provided that the amount does not exceed a fixed sum (as detailed in [appendix H](#)).
- 6.4 Only in exceptional circumstances and where the proposals are incapable of being met within the existing provision, may supplementary capital estimates be sought from the General Purposes Committee. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Executive Director or Director and the Chief Finance Officer to the Capital Programme Board and the Council's Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee. The Chief Finance Officer has delegated power to approve supplementary capital estimates, provided that the amount does not exceed a fixed sum of £250k (in line with the capital virement thresholds detailed in [appendix H](#)).

## **7.0 APPRAISAL OF NEW REVENUE SCHEMES / PROJECTS**

- 7.1 Any new revenue scheme or project shall be appraised as to its financial, human resources, property and economic consequences before detailed budgetary provision is made. The appraisal should cover:-
- (a) project approach;
  - (b) resource requirements;
  - (c) cost and savings;
  - (d) risks and issues;
  - (e) project impact (including community impact assessment);
  - (f) delivery options;
  - (g) net revenue impact each year over life of project
  - (h) statement of how project will be managed and reviewed;

The appraisal is to be approved by the relevant Finance Business Partner.

- 7.2 This requirement applies to those projects which arise from a change in policy or which will result in a change in working practice or a change in the method of service delivery.

## **8.0 FINANCIAL CONTROL – REVENUE**

- 8.1 The inclusion of an item in a Service Block's approved revenue estimates for the financial year shall confer authority to incur that expenditure.
- 8.2 No expenditure may be incurred that cannot be met from the amount provided under the relevant head of the approved estimate, or by an approved virement, without the approval of the General Purposes Committee. This regulation applies equally to any proposed reduction in income.



- 8.3 Supplementary estimates require the prior approval of the General Purposes Committee. These may only be requested in exceptional circumstances where the proposals are incapable of being absorbed within approved financial provision or deferred to a later year. Any such request must be prepared in consultation with, and with the agreement of, the Chief Finance Officer. A report shall be made by the relevant Executive Director or Director and the Chief Finance Officer to the Council's Strategic Management Team before any request for a supplementary estimate is put to the General Purposes Committee.

### **Virement**

- 8.4 The overall rules on virement are set out in the [Financial and Contract Rules](#) (Part 4.5, which is contained within Part 4 – Rules of Procedure). The Chief Finance Officer has delegated power to sanction any virement between the main revenue budget headings in a Service Block, provided that the amount does not exceed a fixed sum, currently £175,000. Main budget headings are defined as the objective analysis of expenditure incorporated in the published Budget Report for each Service Block.
- 8.5 Where a virement between heads of expenditure is such as to impose a revenue burden in future financial years, the annual cost of the proposed expenditure shall be financed from within the relevant Service's/Corporate Directorates' base budget unless additional finance has been provided in future years.
- 8.6 The transfer of Directorate-based funds from reserves to revenue must be approved in accordance with the rules for virement as specified in the [Finance Management Arrangements for Services](#) (section 31.0).

## **9.0 TRADING ACTIVITY**

- 9.1 Services that trade both internally and externally are treated like any other revenue budget, whereby the expectation is any expenditure incurred must not exceed the funding available i.e. their income. If a traded unit realises a surplus or deficit at year-end, consideration must be given whether this is absorbed within the relevant Service's budget block, or is retained by the traded unit and managed through longer term service planning. Where a surplus or deficit is realised, the service can request that part or all of the balance be retained if clear rationale is provided for its use (or management in the case of a deficit), and this is identified within the traded unit's future business plans via the submission of a business case.
- 9.2 The only distinction with 'trading units' is in terms of annual returns and planning purposes where the Service Reporting Code of Practice (SERCOP) guidance is to be followed. A section is defined as a Trading Unit for this purpose where it meets one of the 5 criteria set out in [Appendix C](#).
- 9.3 At year-end the reporting requirement for Statement of Accounts (SoA) states that any external trading must be reported separately within the Income & Expenditure Account with an appropriate disclosure note. Therefore where a budget trades both internally and externally, the external element needs to be separately identifiable.



- 9.4 Further guidance for managers whose budget has a significant reliance on external income can be found in [Appendix D](#).
- 9.5 Budgets that trade and rely solely on their income generation to fund their expenditure are recharged a corporate overhead charge based on the marginal cost of their activity. [Appendix E](#) shows a summary of the corporate services for which these budgets are charged for in this way.
- 9.6 Budgets that trade must not compete for work with other internal providers; they are, however, allowed to compete for external work, subject to the prior approval of the Chief Finance Officer and the Director of Legal and Governance Services (considerations to be considered before taking on external contracts are detailed in [Appendix D](#)). In addition, services that undertake work outside the normal responsibilities of the Council, i.e. for external customers, must inform the Council's Chief Finance Officer in advance of submitting an offer to carry out such work and must obtain such insurance cover as the Head of Procurement prescribes.
- 9.7 Each budget holder who is responsible for a budget that trades should continually monitor the trading performance of his / her unit and immediately alert the relevant Executive Director or Director and the Chief Finance Officer should doubts about the financial performance of the unit emerge. The budget's financial results, outturn projections, and explanations of significant variances from the original plan are to be reported by Finance to Commercial and Investment Committee quarterly.

## **10.0 FEES AND CHARGES**

- 10.1 Financial and Contract Procedure Rules require that all scales and levels of charges must be reviewed annually. All Executive Directors and Directors in the consultation with the Chief Finance Officer shall agree a schedule of proposed fees and charges for the financial year. Revised fees and charges should be presented to respective service committees each year; any changes to this schedule should be approved via the Fees and Charging Request Template (see [Appendix J](#)). An overall Schedule of Fees and Charges for discretionary charges will be maintained by the Chief Finance Officer and will be published on the Council's website.
- 10.2 The Business Planning (BP) process will assume that all fees and charges are increased in line with the latest inflation indices, therefore any charges not increased in line with inflation will create a revenue pressure that will need to be absorbed within the cash limit for that service block.

## **11.0 TRANSFORMATION BIDS**

- 11.1 Transformation bids should be submitted as part of the Business Planning process, by completing the Investment Proposal Template.
- 11.2 Additional one-off budget will be made available via the BP process to support innovative projects that underpin service improvements and deliver future efficiencies. The additional budget will be repaid via budget savings to be achieved in subsequent years.

11.3 The objective of transformational bids is to encourage projects across Cambridgeshire County Council that will:

- Improve the cost effectiveness of services
- Provide value for money
- Achieve long-term savings and efficiencies

11.4 Guidance on transformational bids can be found [here](#).

## **12.0 PARTNERSHIPS**

12.1 Before entering into a Partnership the respective manager should consult the [Partnership Governance Advice & Guidance](#). This guidance aims to improve the governance of any partnership you get involved in.

## **13.0 DEBT POLICY**

### **Introduction**

13.1 The Debt Policy is issued by the Chief Finance Officer for Cambridgeshire County Council in accordance with the Council's Constitution. They are corporate procedures and will be followed by all parties involved in the recovery of monies owed to the County Council.

13.2 Variations and exceptions to this policy can only be approved by the Chief Finance Officer. Where leasehold or tenancy agreements prescribe, alternative debt recovery arrangements are in place and are managed by the Property Service Area.

13.3 Departments must use upfront payments in all appropriate circumstances for all services provided before issuing invoices to minimise the potential for debts to occur.

13.4 All invoices issued by departments must be raised in the ERP system either directly or via an interface feed from a line of business system within a maximum period of 14 days from the date the service commenced / was delivered. Invoice raising should be in accordance with the prescribed procedure ensuring that where appropriate customer purchase order numbers are shown. Once the invoice is recorded in the ERP system the credit will be posted to General Ledger (GL). The management information produced from GL will, therefore, reflect the Council's accounting policy.

13.5 The Chief Finance Officer will arrange for the debt to be collected through the LGSS Debt team (hereafter referred to as 'the debt team'). Raising an invoice should lead to payment being received, however the relevant collections team will chase all unpaid invoices in line with the approved Debt Policy and Collections Process.

### **Payment and Credit Terms**

13.6 Payment terms for accounts raised are determined by the raising department and will typically be either immediate or 30 days. Customers already on Direct Debit will have 19 day payment terms. If any other payment terms are required these must be presented to the Chief Finance Officer, with a

business case, to seek agreement prior to the issuance of an invoice. Monies owed are considered to be a debt once the payment due date has expired.

- 13.7 If Cambridgeshire County Council have had no dealings with a customer before or if the customer has a record of poor payment then consideration should be given to requesting payment before the goods or service are supplied. A paid invoice can be supplied after the event, if required.

This section will not apply to debts accrued as a result of community care services provided as a result of an Adult Social Care Community Care assessment.

- 13.8 Late Payment Interest: Under the "Late Payment of Commercial Debts (Interest) Act 1998" the Council is entitled to claim statutory interest at the Bank of England plus 8% for the late payment of commercial debts. The legislation also allows for the charging of a fixed sum depending on the amount of the debt on top of the interest. Any such costs, which may be recovered will be credited against corporate debt recovery costs and loss of interest and will not be credited to departmental budgets.

In certain circumstances, Adult Social Care may authorise a deferred payments scheme in line with the Care Act 2014 legislation. The debt is not invoiced in the ERP system under this scheme and any queries should be directed to the LGSS Financial Assessments services.

### **Invoicing**

- 13.9 The ERP system contains customer name and address information for raising invoices, however, it is the responsibility of departments to ensure that the information is correct and up to date before raising an invoice. Departments should also include phone numbers and email addresses when requesting a new customer be created or updating an existing customer record as this data is vital in assisting with any debt recovery activity that may need to be undertaken.
- 13.10 If an original invoice over £100 is returned due to an incorrect address the debt team will instigate a customer trace with any costs incurred charged to the originating department.
- 13.11 If the invoice is under £100 it will be cancelled and the department informed. When a new address is known a new invoice will need to be raised by the department. Details on customer set up and maintenance and how to raise an invoice can be found on the Council and LGSS Intranet sites.
- 13.12 It is important that invoices are raised in respect of all debts as soon as the service has been provided or any liability incurred. Invoices must be accurate and they must not be speculative. They must be entered into the ERP system without delay.

Where the Council is in a contractual situation and stage payments are made a request for payment should be issued in the first instance. An invoice should only be raised once agreement has been reached on the amount to be paid. If an order has been part completed, consider raising an invoice for this part of the work, particularly if there will be a delay before completing the order and/or the order is large.

- 13.13 Invoices produced by LGSS will not be returned to departments upon printing, nor will attachments be sent out with invoices. The most practical approach is to send correspondence or attachments under separate cover, preferably via email and say that an invoice will follow.
- 13.14 Departments are advised not to raise official invoices for amounts below £50 as the cost of collection will outweigh the income being collected. In these circumstances departments should collect payment before goods/services are delivered.
- N.B.** Where the supply is liable to VAT the debtor has a right to request either a VAT invoice or a VAT receipt. This right will normally only be taken up by a VAT registered trader.
- 13.15 If a debt has arisen as the result of an overpayment to a creditor, the first consideration should be given to deducting monies from further payments due, however if this is not possible then an invoice should be raised without delay.

### **Allocation of Payments**

- 13.16 Payments received will be allocated against their respective invoice providing the customer has clearly specified which invoice the payment relates to. Unallocated payments will be held on the customer's account until it becomes clear which invoice it relates to. Some payments may get allocated against the oldest debt or against collection costs such as fees, costs and interest.
- 13.17 Where departments are asked for assistance in identifying unidentified cash they should respond within 10 working days. Any unidentified cash, unapplied after six months, will be transferred into central funds. If this is subsequently identified prior to year-end closure, then a transfer to the departmental budget may be effected.

### **Debt Collection Timetable**

- 13.18 Departments raising invoices are responsible for ensuring customers are aware of the payment terms and that the customer has the capacity to pay prior to an invoice being issued. The following process is only applied to invoices that have not been paid by the due date.

The debt collection process will commence 4 days after the invoice due date (to allow for any payment made right on the due date to clear and be applied) unless it is in excess of £5,000 in which case a telephone call will be attempted prior to the due date (providing telephone contact details have been provided and resources allow). The timetable below may alter depending on the individual circumstances of specific cases and if the customer makes or is in contact with the debt team (or department), for example, raising or resolving a dispute.

Due Date + 4 days - if no response or payment has been received the customer is issued with a first reminder requesting payment.

Due Date + 12 day - if no response or payment has been received the customer is issued with a final notice demand for payment.

Due Date + 22 days - if no response or payment has been received the customer is issued with a formal letter before action - stating we will look to commence legal proceedings if payment is not received within the next 10 days.

Due Date + 34 days - the debt will be assessed using the debt recovery strategy to determine what action will be taken next.

For all debts in excess of £500 attempts will be made to contact the customer by phone to discuss non-payment and make acceptable arrangements for the invoice to be paid, e.g. payment in full, set up a payment schedule. If no agreement can be reached or contact made then either legal action will commence or the debt will be referred to an external collection agent (subject to any additional assessment for ASC debts).

For all debts between £250 and £500, where resources allow, attempts will be made to contact the customer by phone to discuss non-payment and make acceptable arrangements for the invoice to be paid, e.g. payment in full, set up a payment schedule. If no agreement can be reached or contact made then the debt will be referred to an external collection agent (subject to any additional assessment for ASC debts). Legal action will only be considered in exceptional circumstances as the cost of the action will quickly outweigh the value of the invoiced debt.

Debts under £250 will be referred to external debt collections agents if they remain unpaid after 34 days.

At all times, the debt team will adopt a fair and reasonable approach towards the customer taking account of their circumstances and ability to pay. Any disputes with customers and/or departments that cannot be resolved by the debt team will be escalated initially to the Credit Control Service Manager for a decision. If agreement cannot be reached then a referral to the LGSS Head of Revenues & Benefits and Council's Chief Finance Officer will be made whose decisions will be final.

Often the threat of action plus the formal nature of the request is sufficient to at least prompt a response from the customer.

### **Securing Debt Arrangements**

- 13.19 Any request to pay by instalments must be referred to the debt team who will contact the debtor to obtain details of their income/expenses and offer. The debt team alone will have the delegated powers to accept or reject any offer made. If the offer is not considered reasonable then they will inform the debtor and try to negotiate a better offer, however they may refer the debt to external collection agencies or for legal action if no better offer is forthcoming.

If a debtor fails to honour an instalment payment they will be contacted and reminded that a missed payment means that the whole of the debt becomes immediately due and normal recovery procedures will be applied.

- 13.20 Where invoices have been raised in the ERP system and the debt is subsequently secured by a charge on a property, the collections team might not chase the debt, subject to sufficient equity being proven. It is essential to have a legal charge over the property and not just a promise of payment

against a future sale, as without a legal charge the team is powerless to enforce payment. The debt team will make the necessary enquiries in conjunction with LGSS Law will ensure any security held is valid.

- 13.21 If notification of a firm/individual going into receivership/liquidation /bankruptcy is received, it should be forwarded to the LGSS debt team who will check for outstanding debts. If there are any and they have already been referred to LGSS Law then the LGSS debt team will call these cases/debts back together with any correspondence from the receivers/liquidators for them to manage appropriately and deal with the receivers/liquidators. If there are outstanding debts that have not been referred to LGSS Law the LGSS debt team will deal with the receiver /liquidators.

### **Debts Referred to External Collection Agents and Legal**

- 13.22 Only debts that have been identified via the debt recovery strategy as viable will be referred to External Collection Agents or LGSS Law to commence action. The debt team will contact the issuing department, if required, for any documentation necessary to complete the submission pack to these Agents and LGSS Law.

If a department wishes to refer a debt that failed the viability test under the debt recovery strategy then it can submit a request detailing the reasons why legal action should be taken to the LGSS Head of Revenues & Benefits for consideration. They will consult with LGSS Law and if the conclusion is that legal action is not appropriate then he will refer the debt back to the originating department. Appeals on decisions will be considered by the Council's Chief Finance Officer whose decision shall be final.

Once the debt has been referred to LGSS Law, the debt team will monitor progress and costs on a monthly basis. LGSS Law will refer general queries to the debt team except where authority to incur additional costs over those anticipated in obtaining judgment is required, in which case they will contact the invoice-issuing department direct.

If at any stage in the process LGSS Law consider there is no prospect of recovery or that it is not cost effective to continue the action they will notify the department and return the debt to the relevant collections team for referral to an outside collection agency or write off.

If LGSS Law agrees an instalment plan with a debtor, then once one payment has been received the debt will be passed back to the relevant collections team to monitor receipt of future agreed instalments.

- 13.23 Legal proceedings result in the Council incurring additional costs. The Council's policy is that the legal costs should be included in the claim against the customer. Any legal costs that are not recovered from the customer will be charged back to the department who originated the invoice.

Any commission costs accrued for recovering debt through the External Collection Agent will be charged centrally on a monthly basis.

### **Enquiries from Customers**

- 13.24 If a customer queries the validity of an invoice with the LGSS debt team then the invoice will be placed on hold and the query referred back to the originating department. If a debtor raises the same type of query directly

with the originating department, the department must immediately notify the relevant debt team so that the invoice may be placed on hold.

Once a query has been raised the originating department must reply to the customer within 5 working days. If the debt team do not hear from the originating department they will assume the query has been resolved and debt collection activity will recommence.

Copies of all correspondence (and details of telephone conversations) must be sent to the debt team weekly as they are responsible for maintaining the debt history and will need to pass all relevant papers, including copies of correspondence, to LGSS Law if the debt is referred.

### **Disputes – Invoices Placed ‘On Hold’**

- 13.25 Where an invoice has been queried and placed on hold the originating department must keep the debt team informed of progress. If the query cannot be answered within the 5 day limit then the originating department must give the relevant debt team an indication of when the query will be settled. The originating department has a maximum of 15 working days from the date of query to resolve the matter.

If the originating department cannot resolve the query within this extended period they must request the invoice remain on hold for a further specified period of time. If no extension has been requested the invoice will be taken off hold and normal debt collection activity will re-commence.

- 13.26 The LGSS Head of Revenues & Benefits can decide to cancel any invoice that is on hold where queries are not being progressed as follows:-
- (a) Debts below £1,000 will be cancelled via credit note and charged back to the originating department
  - (b) Debts above £1,000 or over will be reported monthly to the Council's Head of Finance for review / action

### **Cancelling an Invoice**

- 13.27 Once an invoice has been printed it must not be changed or cancelled. If it is subsequently found to be incorrect a credit note must be raised in the ERP system to either cancel the complete invoice or part thereof. These should be generated by the invoice originating department via the ERP system.
- 13.28 It should be noted that this relates only to those circumstances where the debt, as raised, is incorrect or unsubstantiated. If cancellation is required in other circumstances the invoice must be written off (see the Write Off section for further details). Care should be taken in raising invoices to ensure that the need for cancellations is kept to a minimum.

### **Write Off**

- 13.29 An invoice that remains outstanding after collection action will be subject to a write off process. Authority to write off the debt rests with the collections team subject to the delegated limits detailed below.

### 13.30 Delegation for Write Off

Following appropriate consultation with senior officers in the departments that own debt, write-offs shall be processed by the collections team in line with these delegation levels:

#### Debts over £25,000

Debts over £25,000 will be reported to the respective Committee or Cabinet. The LGSS Head of Revenues & Benefits will prepare details of any such debts for the Chief Finance Officer to seek authority of the respective Committee or Cabinet to Write Off.

#### Debts £500 to £25,000

Each month the LGSS Head of Revenues & Benefits will prepare schedules by department of debt recommended for write off for authorisation by the Chief Finance Officer. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted and confirmation from a departmental senior officer from the service area to the write off.

#### Debts below £500

Each month the LGSS Debt Team Manager will prepare schedules by department of debt recommended for write off for authorisation by the LGSS Service Manager. The schedules will include the reason for requesting a write off and confirmation that the collections process has been exhausted.

- 13.31 The Finance Business Partners in each department will be provided a copy of the appropriate schedules for information, of those debts to be written off.
- 13.32 Write Offs will be charged in accordance with the Write Off Accounting Policy as determined by the Chief Finance Officer. The current policy will be to write off back to the original invoice or equivalent codes irrespective of the financial year the invoice was raised in.
- 13.33 If payment is received after an account is written off the write off will be reversed (up to the value of the receipt) and the cash applied to the original account within the ERP system providing this occurs within the same financial year. If this occurs in a subsequent financial year the payment will be considered a fortuitous gain and no reversing entries will be undertaken in the ERP system.
- 13.34 The full Debt Policy, including the Collections Process, can be found in the LGSS Collections Policy.

## **14.0 AUDIT**

- 14.1 To comply with the Accounts and Audit Regulations (2015) the Council must ensure that it has a sound system of internal control that helps it perform its functions and achieve its aims and objectives; ensures the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.
- 14.2 Under the Scheme of Delegation, the Chief Internal Auditor shall:
- (a) maintain an adequate and effective internal audit of all the activities of the Council.



- (b) have authority to visit all Services/Corporate Directorates, establishments and Trading Units of the Council and have a right of access, at all times, to such documents, other records, computer systems, and Council property as appear to him / her necessary for the purpose of the audit.
  - (c) be entitled to require from any officer such information and explanation as he / she thinks necessary to satisfy himself / herself on any matter.
- 14.3 Each Executive Director or Director shall bring immediately to the notice of the Chief Internal Auditor and/or Chief Finance Officer any suspected or apparent financial irregularity affecting the Council. If the irregularity is confirmed, the Chief Executive shall be advised.
- 14.4 Internal Audit shall examine arrangements to ensure standards of internal control are adequate.
- 14.5 Attention is drawn to the statutory role of the Council's external auditors, which involves the same rights of access and entitlement as those set out for Internal Audit in Regulation 13.1.

## **15.0 RISK MANAGEMENT AND INSURANCE**

### **Strategy**

- 15.1 The Chief Internal Auditor has delegated powers to establish and maintain a systematic strategy, framework and processes for managing risk. Part of the strategy is to identify the risks facing the organisation and analyse what types of protection are required to manage adverse risks.
- 15.2 Effecting insurance is one element of that strategy for the limited range of risks, including damage to assets and potential civil liability, which can be underwritten by insurance policies and give a measure of financial protection.
- 15.3 This strategy does not obviate the need for each Executive Director or Director to manage all forms of business and operational risk in connection with the running of their services and activities.

### **Insurance Programme**

- 15.4 The Head of Procurement in consultation with the Chief Finance Officer, has delegated powers on behalf of all services to effect and manage insurance cover for specific risks and to decide what is the most appropriate package of internal (self-funded) and external insurance. This statement must be qualified by noting that School Governing Bodies are able to exercise choice over how they purchase insurance (subject to meeting minimum standards and limits of indemnity laid down by the Council) and are not bound to remain within the centrally arranged insurance policies or self-funded provisions if they wish to effect separate arrangements. The County Council's rights and interests must be named on all insurance policies held, irrespective of who has made the original arrangements.
- 15.5 For centrally arranged policies, the Head of Procurement is responsible for preparing specifications, obtaining quotations, procuring cover, negotiating claims and maintaining the necessary records in line with the insurance

strategy and for ensuring that the contracting process is conducted in accordance with the prescribed requirements.

- 15.6 The Head of Procurement or his / her nominee shall make contractual arrangements with specialist advisers, including insurance brokers, financial actuaries, loss adjusters, solicitors and insurance companies as necessary in respect of all insurance matters involving the centrally arranged policies and self-funded arrangements.
- 15.7 The Head of Procurement shall keep a register of all insurance policies held and a full record of what property and risks are covered thereby.
- 15.8 A brief statement of the main policies taken out by the Council is given below. A Budget Holder must contact LGSS Insurance if he / she thinks additional cover may be required. This will help protect the council from the risk of buying insurances that are unnecessary, too costly, not with the insurers who are appropriate, and avoid duplication of existing insurance arrangements.

Centrally arranged policies are: -

- (a) Fire and associated risks for all buildings which the Council owns, or for which it has accepted legal responsibility by way of a lease or licence.
- (b) All public and employers' liabilities, including libel and slander, professional indemnity, officials' indemnity and land charges.
- (c) Personal accident cover for risk of assault on employees of the County Council and for injury to Council Members and authorised volunteers.
- (d) Motor vehicles – comprehensive cover on all County Council vehicles, together with contingent liability cover for use of privately owned vehicles used on official business.
- (e) Pecuniary loss (money, fidelity guarantee and cheques indemnity).
- (f) Costs of reinstatement and recovery of ICT infrastructure and systems.

The Insurance Manager should be contacted at

[insurance@cambridgeshire.gov.uk](mailto:insurance@cambridgeshire.gov.uk)

if further details are required such as the actual policy number, name of the current underwriters or any other information on the scope of cover or policy terms and conditions.

- 15.9 Enquiries about insurance matters must be channelled through the Insurance Section which can provide all necessary advice.

**Record of equipment subject to inspection**

- 15.10 Each Executive Director and Director shall maintain suitable systems to record engineering plant and lifting equipment, which is subject to statutory inspection by an insurance company or other approved contractor, and for monitoring that inspection is carried out in the periods prescribed.

**Notification of Changes of Risk**

- 15.11 Each Budget Holder shall give prompt notification to the Insurance Manager of all new risks, property, vehicles and other assets or contractual obligations which require to be insured and alterations that may affect existing insured

risks (including closure of buildings, sale of vehicles or disposals of other insured assets).

- 15.12 Where any contracts or partnership agreements are under negotiation with external bodies for services to be provided, Budget Holders must ensure that the potential risk exposure is analysed and suitable clauses included to apportion risk appropriately between the contracting parties involved, Advice must be sought on the appropriate levels of indemnity and type of risks to be insured. Some information is provided in The Purchasing Guide. The advice of the Director of Legal and Governance Services should be sought to ensure that these issues have been addressed correctly before any contract is signed.
- 15.13 Provision of indemnities which may assume legal liability for the actions of another party must not be accepted without full consultation with the Council's legal advisers and if accepted must also be notified to LGSS Insurance.

#### **Reporting of incidents, losses and potential claims**

- 15.14 Budget Holders must make a written report of any event, loss, liability or damage that may result in an insurance claim and give full and timely assistance with the conduct of any investigation that may follow. Advice must be sought immediately from LGSS Insurance if there is a suspicion that a civil legal action is in prospect.
- 15.15 Civil procedure rules and protocols must be strictly adhered to in order to avoid cost penalties or unnecessary litigation expenses. Employees and other persons must not attempt to negotiate a settlement, give interviews, make statements or offer to pay compensation in any way that may prejudice any civil legal action that may be brought against the Council subsequently.
- 15.16 The same incident may lead to an investigation for an alleged breach of or failure to comply with some part of the Health and Safety at Work Act and the regulations made hereunder.

#### **Use of motor vehicles**

- 15.17 All workers using their own private vehicles on behalf of the Council shall maintain appropriate insurance cover for business use.
- 15.18 The Council has access to a stock of pool cars, which are available to all employees. Please refer to the [Pool Car](#) guidance notes for further information.

### **16.0 INTERNAL CONTROLS / ASSURANCE AND POWERS**

- 16.1 Under [Article 11](#) of the Constitution (contained within Part 2 – Articles of the Constitution) the Director of Legal and Governance Services is designated as the 'Monitoring Officer' whose functions include:
- (a) Ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.
  - (b) Advising whether decisions are within budget and policy framework.

- (c) Provide advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

## **17.0 PURCHASING OF GOODS / WORKS / SERVICES IN ERP GOLD**

### **Introduction**

- 17.1 The County Council is a major purchaser of goods, works and services. It is at the point of ordering that the County Council is committing expenditure. Therefore the relevant Budget Holder must ensure that:

- (a) all orders are completed properly and appropriately authorised
- (b) the extent of the commitment is known
- (c) budgets are not exceeded without appropriate authority
- (d) only goods / works / services as ordered and received are receipted on ERP Gold
- (e) purchases are lawful (i.e. within the powers of the County Council)
- (f) purchases are only made for County Council purposes - workers are not permitted to use County Council orders for private purchases.
- (g) value for money is obtained, with [Contract Procedure Rules](#) being strictly adhered to.

*Note that the financial regulations 17.2 to 17.24 set out below apply to all employees of the County Council.*

*Where an agency / partnership arrangement exists such that there is an approved business case to allow a third party to exercise financial control on behalf of the County Council, the same principles detailed here apply, however a series of limitations as to their permitted responsibilities must be applied, and can be found [here](#).*

*All proposals for such arrangements must be agreed by the Chief Finance Officer, and advice sought from Internal Audit and the Legal Section, as appropriate.*

### **Overview of the Business Rules Underlying the Use of ERP Gold**

- 17.2 ERP Gold allows for the electronic processing and authorisation of transactions relating to the purchase of goods / works / services.
- 17.3 ERP Gold also enables a set of control rules to enforce separation of duties in the purchasing of goods/works/services.
- 17.4 For purchasing goods / work / services in ERP Gold, three roles are required:
- (a) Requisitioner
  - (b) Approver
  - (c) Goods Receipter
- 17.5 The above roles are set in ERP Gold through the configuration of user profiles and responsibilities, linked to each user's personal identification (ID). To provide separation of duties within ERP Gold, the profiles and

responsibilities are set such that the Requisitioner cannot also be the Approver.

- 17.6 To ensure the appropriate authorisation of goods / works / services and that an adequate separation of duties is maintained, *workers must not in any circumstances share their ERP Gold password, nor give other users the opportunity to log on under their ID.*
- 17.7 ERP Gold operates such that if the goods / work / services recorded as received agree to those ordered per ERP Gold, and the invoice subsequently matches the details already recorded on ERP Gold, the invoice will be processed for payment, without further pre-payment check and authorisation by the Budget Holder.
- 17.8 Therefore, the Budget Holder must ensure that an ERP Gold purchase requisition is completed and authorised for all purchases made (except where a Government Procurement Card is being used and in specific areas approved by the Chief Finance Officer), and the receipt of those goods / works / services must be recorded on ERP Gold.
- 17.9 Once a purchase requisition has been approved, the transaction is processed as an ERP Gold order, and the order issued to the supplier. The Budget Holder is not required to print the order and add a manual signature.

### Approval Limits

- 17.10 Maximum authorisation limits for employees are linked to the individual's job role, rather than the individual. This ensures that users do not carry access to new jobs.
- 17.11 The maximum authorisation limits are set across the organisational structure:

Transaction Type	Budget Manager (Project Manager for Capital)  TIER4	Head of Service  TIER3	Service Director/ Assistant Director  TIER2
<b>Standard</b> approval limits for procurement of goods, services, grants and benefits	Up to £200k	Up to £500k	Up to £1m

Authorisation of spend on packages of care within ERP Gold paid through the Mosaic system will be on the basis of need as identified in a social care assessment, the cost of which will be determined by the assessment and the best value care that can be sourced. This will be processed for payment by finance officers within the service unless the care package is exceptionally high in which case it will be further authorised by social work and commissioning managers in care panels in line with the separate Scheme for Approving Care Package Expenditure in Mosaic ([Appendix I](#)).

- 17.12 Enhanced Approval levels

Transaction Type	Budget Manager (Proj Mgr for Capital)	Head of Service	Service Director/ Assistant Director
	TIER4	TIER3	TIER2
<b>Enhanced</b> Order limits for specific business areas such as capital, waste etc.	Up to £1m	Up to £5m	Up to £7m

If an employee requires an approval limit higher than the standard limit allowed for their tier in the ERP Gold hierarchy because the value of orders they regularly need to approve exceeds the limit set out in 17.11 above, then this will need to be requested via their financial adviser and signed off by the Head of Finance as an exception. Enhanced Approval levels should not be requested so as to approve one-off invoices. If a single invoice exceeds the approval limit of the officer who normally approves invoices on that budget code, then approval should be sought from an officer in a higher authorisation band.

### **Raising Orders For Goods / Work / Services**

- 17.13 Approved County Council suppliers must be used for all purchases made. Where no approved supplier can provide the goods / works / services, the Budget Holder must submit a formal application to Accounts Payable for approval, before the goods / works / services are ordered.
- 17.14 The County Council's [Contract Procedure Rules](#) must be followed in respect of all purchases. The Council has decided that all contracts must be in writing or placed using ERP Gold or a Government Procurement Card.
- 17.15 The Budget Holder must authorise all orders raised. (When planning to be on leave Budget Holders should request a substitute Budget Holder via Let's Go Direct; this must be a post-holder with a role higher up the ERP Gold Tier Hierarchy, see [31.4](#).)

### **Receipting of Goods / Work / Services**

- 17.16 Goods / works / services when received must be receipted (GRN) as such on ERP Gold.
- 17.17 Wherever possible, the officer recorded in the system as receipting the goods or services should be the person who actually verified them.
- 17.18 However, in all cases the officer recorded in the system as having receipted the goods / works / services is responsible for ensuring that they are receipted on ERP Gold only where they have been physically received or carried out and examined as to quantity and quality, as ordered. Whenever practical the receipter should not rely on verbal assurances from another officer.

### **Variations between Orders and Goods / Works / Services Received**

- 17.19 Where the goods / works / services received vary to that originally ordered, and this exceeds the agreed tolerance threshold, the Budget Holder must authorise the additional amount before the invoice can be paid. If the Budget Holder disputes the difference from the original order they must reject the

tolerance in ERP Gold. The Budget Holder must liaise with the supplier to agree a resolution, and update Accounts Payable on the invoice dispute.

- 17.20 Budget Holders should regularly review their list of open purchase orders and close off any that are no longer required. Guidance on purchase order maintenance can be found [here](#).

### **Payment of Accounts**

- 17.21 The County Council is liable for payment of interest where invoices are not paid within 30 days of receipt or per the supplier's payment terms.
- 17.22 To reduce the delays in the processing and payment of invoices, ensure that invoices are submitted electronically wherever possible; invoices received directly from a supplier should be forwarded promptly to [ccc.invoices@lgss.co.uk](mailto:ccc.invoices@lgss.co.uk). Further information on how suppliers can submit their invoices can be found [here](#).
- 17.23 Where postal invoices are received in respect of orders raised in ERP Gold, these will be date-stamped on the date of receipt by Accounts Payable and registered by Accounts Payable.
- 17.24 The requirements of the Sub Contractors – Construction Industry Tax Scheme must be complied with.

## **18.0 PERSONAL EMPLOYEE EXPENSES**

- 18.1 The County Council has a responsibility to provide HMRC with details of all benefits in kind provided or expenses reimbursed to its employees, and must ensure that National Insurance contributions are collected on all qualifying expenditure.
- 18.2 The Council uses a Mileage and Expenses E-Form, which allows employees to submit their expense claims electronically for their line manager's approval.
- 18.3 Employees need to submit their mileage and expenses e-form claims on a monthly basis. Employees must submit their expenses claim within a 2 month timeframe from the claim date. An employee must allow enough time for his/her manager to approve the e-form before the submission deadline.
- 18.4 The Budget Holder is responsible for:
- (a) Ensuring that payments are only made to bona fide employees who are eligible to receive payments at that time according to current rules laid down by the County Council.
  - (b) Ensuring that payments are in accordance with current rates.
  - (c) Making prompt, complete and accurate returns (P11D) to Employee Benefits in LGSS, of information needed for returns to HMRC such as cars provided to employees outside a normal lease car scheme, telephones, living accommodation etc., and any other possible taxable benefits.



- 18.5 All claims for reimbursement of expenditure by individuals must be processed via the e-form system and not via imprest, petty cash or bank accounts.
- 18.6 The approving manager needs to see the receipts before approving any e-form claim. All receipts need to be stored locally, by month (these will be required in the event of an HMRC Inspection). All receipts need to be stored for 6 years. If a manager leaves they must ensure that stored receipts are handed over to the new manager.
- 18.7 Further guidance can be found [here](#).

## **19.0 PAYROLL**

- 19.1 It is the legal duty of the HR Director to make proper arrangements for the operation of PAYE and National Insurance procedures for all employees, including relief, fixed term and part time employees.
- 19.2 The Council's payroll service is responsible for processing temporary data, administration and validation of the payroll run, production of payslips, P60's, cheques, BACS and production of a costing file for interface to the general ledger. Payroll also supply information to various statutory bodies including HMRC and act as the first point of contact in dealing with payroll queries.
- 19.3 The County Council operates a shared payroll service provided by LGSS, within which is a Payroll Services Manager to monitor payroll and work with the HR, Pensions and Finance Units to ensure high quality service delivery.
- 19.4 The rules for determining whether an individual is treated as an employee or as self-employed for tax purposes are complex, and there are severe penalties for failing to deduct tax where it is due. Budget holders should refer to detailed guidance available on the HR web pages of the intranet including on [Consultants and Interims](#). Advice on determining an interim or consultant's legal status is available via the HR Advisory Team. Full details are given in the Consultants and Interims policy
- 19.5 It is the Budget Holder's responsibility to ensure that: -
- (a) Payments are correct, authorised and accounted for properly.
  - (b) Payments are made only to bona-fide employees of the Authority and to valid beneficiaries of the Pension and Compensation Schemes.
  - (c) Allowances and deductions are authorised, correct and are properly accounted for and the persons in receipt of allowances are eligible for them.
  - (d) Payments are lawful (i.e. within the powers of the County Council).
  - (e) Payments are within budget.
  - (f) Changes in terms of employment and requests for payment are notified to HR or Payroll (as applicable) at the due time in accordance with the [payrun schedule](#).



- 19.6 The Budget Holder must ensure that the appointment of all employees is in accordance with the policies of the Council, at the approved grades and rates of pay (see [Recruitment](#)).
- 19.7 No officer may authorise any notification to HR or Payroll concerning amendments to his / her own pay.
- 19.8 The Council's HR service must be notified as soon as possible, using either the [Employee Change](#), [Employee Leaver](#) or [Establishment](#) form, of all matters affecting payroll payments, such as appointments, dismissals, resignations and retirements, or any other change of circumstances affecting remuneration.
- 19.9 The Budget Holder must ensure that Payroll is forwarded correctly completed timesheets / claims for payment of at the due time. Particular attention should be paid to entering the correct employee assignment number to ensure not only that the correct record is paid (and costed accurately) but that payment is statutory compliant in respect of Income Tax and National Insurance deductions.
- 19.10 All documents sent to Payroll should identify clearly to whom they relate, i.e. by showing the name, payroll reference number and/or job title and place of work.
- 19.11 The Council will seek to avoid under/over payment of salary. However, where this may occur please refer to the Payroll Corrections Policy.

## **20.0 GRANTS**

- 20.1 Grant claim forms should be completed in accordance with claim instructions.
- 20.2 Claims should be signed in accordance with claim instructions. However, the authority of the Chief Finance Officer to sign grant claims is delegated to the Strategic Finance Managers.
- 20.3 The Chief Internal Auditor should be notified in advance of any grant claim being submitted where there is a requirement for an audit of the expenditure.
- 20.4 Budget Holders should advise their relevant Finance Team of any competitive grant applications submitted.
- 20.5 On receiving notification from the funding provider that an application has been successful, the Budget Holder must notify their Finance Team of the forthcoming income.
- 20.6 It is the Budget Holder's responsibility to ensure that a specific budget code is assigned to the income.
- 20.7 The Budget Holder must also check that the amount awarded matches the amount that was applied for by referring to the copy of the application that has been retained on file by the budget holder.
- 20.8 The [Grants to External Organisations Policy](#) covers the Council's regulations around the offering, acceptance, and monitoring of local grants to external organisations. Budget Holders involved in awarding grants or monitoring grant usage should ensure they are familiar with this policy.

**21.0 INCOME**

- 21.1 It is the Budget Holder's responsibility to ensure that procedures for the collection or invoicing of income due are operating such that:
- (a) All income due is identified and accounted for properly.
  - (b) Invoices for income due (or credit notes) are raised as soon as the chargeable goods or services are provided. Invoices should be raised using ERP Gold, or where ERP Gold is not available, the Accounts Receivable Team must be notified.
  - (c) All monies received are brought into account promptly, correctly, accurately and completely.
  - (d) All income collected is held securely, banked promptly and intact.
  - (e) VAT is accounted for correctly. (For further information, see [VAT Basics Guide](#)).
  - (f) Instruction to cancel an invoice must be completed on ERP Gold by the Budget Holder.
  - (g) Invoice write-offs must follow the procedures in [13.29 - 13.33](#) of the Scheme of Financial Management.
- 21.2 Employees should be aware of the [Council's Anti-Money Laundering Policy](#). This applies particularly to employees regularly handling cash. The Money Laundering Reporting Officer should be contacted in accordance with this Policy if a money-laundering activity is known or suspected. The County Council will not accept settlement in cash of any transaction above the value of €15,000 equivalent (approximately £10,000).
- 21.3 All monies received must be receipted on an official County Council paying-in book or otherwise adequately recorded at the time of receipt.
- 21.4 Where the Unit has access to ERP Gold, all income received must be recorded via an entry on ERP Gold to ensure that funds are allocated appropriately. Where ERP Gold is not available, the Accounts Receivable Team must be notified of receipt of funds.
- 21.5 Each Officer responsible for paying money into a bank account must enter onto the copy paying-in slip sufficient information to identify each transaction including the amount of the cheque and a reference (such as receipt number or debtor name) to connect the cheque with the service provided. On the back of each cheque the Officer should enter sufficient detail (i.e. cost centre) to identify the Department or establishment.
- 21.6 On handing cash over to another person, all employees should ensure that they receive a suitable formal acknowledgement such as a receipt.
- 21.7 To ensure adequate separation of duties within the cash collection and banking process, different people should undertake the following activities:
- (a) collecting or receiving money;
  - (b) recording and banking receipts;

- (c) reviewing and reconciling receipts to cash banked; this must be a different person from the persons carrying out (a) and (b);
- (d) authorisation of debt write offs; this must be a different person from the persons carrying out (a) and (b);
- (e) custody of saleable stock and materials.

## **22.0 CASH SECURITY**

- 22.1 All Officers involved in cash handling have a duty to ensure that practice and procedures properly safeguard cash holdings in their possession, but not at any risk to their own person.
- 22.2 Budget Holders must ensure that written procedures exist covering the aspects of cash security covered below, and what action workers are to take in emergencies, e.g. attempted theft; fire alarms etc.
- 22.3 Budget Holders must ensure that adequate arrangements are made to safeguard monies pending banking. Such arrangements include:
  - (a) Use of locked cashboxes held in a safe or locked drawer or cabinet.
  - (b) Restricted access to the keys for the above.
  - (c) Locking cash away when unattended.
  - (d) Not counting cash or accessing the safe etc. in view of visitors and members of the public.
  - (e) Where large amounts are collected, considering the physical security of the cashier's office (e.g. access arrangements to the cashiers area; screens; alarm systems etc).
- 22.4 Budget Holders must ensure that banking arrangements minimise monies held, do not exceed insurance levels and minimise the risk to staff undertaking the bankings. Such arrangements include:
  - (a) Measures to minimise actual cash (e.g. use of cheques and debit / credit cards).
  - (b) Regular bankings, at least weekly, and daily whenever cash exceeds £5,000.
  - (c) Use of night safe facilities when banks are not open.
  - (d) Varying the timing and route of visits to the bank, and the staff undertaking the bankings.
  - (e) Not utilising conspicuous bags etc. to transport monies.
  - (f) Use of security services for cash sums in excess of £5,000.
  - (g) Budget Holders must not allow levels of cash held to exceed the maximum permitted limits (£5,000) set under the insurance policy for monies held in a safe during working hours and overnight.

## **23.0 IMPREST ACCOUNTS**

- 23.1 Imprest Bank Accounts are used for items of expenditure for which it is not practical/cost-effective to pay through the normal payments system.

Generally, such payments will be small in value, or one-off purchases. Payments to regular suppliers should be made through ERP Gold or local Bank Accounts (Schools only). The Council requires that Imprest Accounts should be held at an absolute minimum. Government Procurement Cards ([see Financial Regulation 24](#)) must be used where an establishment regularly purchases individual items with a value of less than £50.

23.2 The Budget Holder (account holder) is responsible for ensuring that:

- (a) Imprest cash and chequebooks are safeguarded from theft and misuse, that access is restricted, and that they are locked away when not in use.
- (b) Expenditure incurred through Imprest accounts is bona-fide, lawful and in accordance with the requirements of the service.
- (c) Expenditure is within budget limits.
- (d) There are adequate procedural notes specifying the respective responsibilities of staff involved in the operation of the Imprest Account.

The Payables Team, within LGSS, will monitor the use of Imprest Accounts.

23.3 The opening of Imprest Accounts must be authorised in accordance with the [Scheme of Operation](#) approved by the Chief Finance Officer. The Payables Team must be notified of any wish to close, amend or transfer an Imprest Account.

#### **Inappropriate Expenditure**

23.4 The following expenditure must not be made through Imprest Accounts:

- (a) Payment of salaries or wages to employees or payments which could be considered as such by HMRC e.g. honoraria.
- (b) Payments to contractors in the Construction Industry (for more information, see Subcontractors – Construction Industry Tax Deduction Scheme).
- (c) Payment of any expenses to County Council employees.
- (d) Payment for items which can be acquired using a [Government Procurement Card](#) (see [GPC User Guide](#)).
- (e) Payment of cash to 'casual' workers or young people.
- (f) Payments or rewards to employees that are unacceptable e.g. paying for an employee's retirement do.

#### **Supporting Documentation**

23.5 Claims must be submitted and approved via ERP Gold. They should be submitted sufficiently regularly to ensure the account does not become overdrawn (normally at least monthly).

23.6 Claims must be supported by adequate documentation to support the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:

- (a) The reason for / details of the expenditure
- (b) Date expenditure was incurred
- (c) Amount of expenditure
- (d) Signature of person incurring the expenditure.
- (e) Where expenditure incurred is large (over £30), a second member of staff must sign the supporting documentation.

23.7 Wherever possible the supporting documentation must be a VAT invoice / receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

### **Separation of Duties**

23.8 There must be a separation of duties between the persons:

- (a) Operating the Imprest and preparing the claim and reconciliation statement (signing the "Prepared By" statement)
- (b) Signing the certification statement on the claim

23.9 The person operating the Imprest and preparing the claim and reconciliation must not be a cheque signatory.

23.10 The person signing the claim certification statement is responsible for:

- (a) Checking that the documentation supporting the claim is complete and satisfactory.
- (b) Checking that the claim and reconciliation statement is correct both in principle and arithmetically.
- (c) Physically checking the figures in the reconciliation statement, e.g. verify the accuracy of the cheques outstanding figure and the bank balance.
- (d) Counting cash in hand, and ensuring it agrees to the amount entered on the claim.

23.11 Reimbursement of claims will normally be made direct to the Bank, the amount being notified to the Account Holder. No other monies are to be paid into the imprest account.

### **Imprest Levels**

23.12 The Imprest Account must never go overdrawn. Any overdrawn accounts will be immediately referred to the Budget Holder, who must take the necessary remedial action. Government Procurement Cards should be used to ensure expenditure does not exceed Imprest levels.

23.13 Imprest Account levels should be monitored to ensure that they continue to provide sufficient funds to cover approximately 8 weeks average Imprest expenditure. Services/Corporate Directorates should specify procedures for approving Imprest levels. Temporary increases can be obtained to cover anticipated periods of exceptional expenditure.

23.14 Further guidance can be found [here](#).

## **24.0 GOVERNMENT PROCUREMENT CARDS**

- 24.1 Government Procurement Cards are to be used for items of expenditure for which it is not practical / cost-effective to pay through ERP Gold. Generally, such payments will be under £50, or one-off purchases, or where it is inefficient to raise an order and pay an invoice (e.g. conference fees, books, subscriptions, rail travel).
- 24.2 Each Government Procurement Card is assigned to an individual cardholder who has personal responsibility for its proper operation, in accordance with this Regulation.
- 24.3 The Budget Holder is responsible for ensuring that all staff assigned a Government Procurement Card are operating procedures such that
- (a) Cards are safeguarded from theft and misuse.
  - (b) Expenditure incurred through the use of Government Procurement Cards is bona-fide, lawful and in accordance with the requirements of the service.
  - (c) Expenditure is within budget limits.
- 24.4 All cardholders must use their Government Procurement Card in accordance with the requirements laid down in the [GPC User Guide](#). The Accounts Payable team will monitor the use of Government Procurement Cards to ensure that the requirements are adhered to.
- 24.5 The allocation of Government Procurement Cards must be authorised by the Budget Holder and sanctioned by the Payables Manager. Transaction limits and monthly credit limits for each card must be approved by the Payables Manager.

### **Supporting Documentation**

- 24.6 A transaction log must be maintained by all cardholders.
- 24.7 The Budget Holder is responsible for checking the transaction logs to the statement and authorising that the payments are within budget and lawful.
- 24.8 All expenditure must be supported by adequate documentation to substantiate the expenditure incurred. This should demonstrate that the expenditure is bona-fide, lawful and in accordance with the requirements of the service. The documentation should record:
- (a) The reason for and details of the expenditure
  - (b) Date expenditure was incurred
  - (c) Amount of expenditure
- 24.9 Wherever possible the supporting documentation should be a VAT invoice/receipt to enable the VAT element to be reclaimed. Failure to obtain such a voucher means that budgets will have to bear the VAT element of any expenditure.

## **25.0 STOCKS AND STORES**

25.1 The County Council holds stocks and stores of some items needed on a day-to-day basis.

- (a) The Budget Holder is responsible for ensuring that adequate procedures and financial controls are in place to ensure the appropriate use of these assets, such that
- (b) Records and procedures are sufficient to identify transactions and the volume and value of all usable stocks / stores held.
- (c) Stocks and stores are properly secured.
- (d) Best value is obtained in the provision of stocks and stores

### **Stocks/Stores Records**

25.2 The minimum stock records that must be maintained (whether manual or computerised) are:-

- |                                       |  |
|---------------------------------------|--|
| i. Stock Item No. (if applicable)     | ii. Stock description                                  |
| iii. Issues – Date and Quantity       | iv. Details of who the stock issued by                 |
| v. Details of who the stock issued to | vi. Receipts – Date and Quantity                       |
| vii. Returns – Date and Quantity      | viii. Recommended order quantities to replenish stocks |
| ix. Orders outstanding                |  |

25.3 The receipt and issue of all stocks and stores should be adequately authorised and recorded promptly.

25.4 Records should value stocks / stores following the Council's Accounting Policy, which requires that stocks be valued at the lower of cost or net realisable value.

### **Security**

25.5 Stocks and stores (and stores records) should be held securely, properly insured and access should be restricted to authorised staff.

### **Stock Checks**

25.6 A systematic approach to stock checking must be taken, including completing an independent physical count of stocks at least once a year. During the year, storekeepers should check stocks held to stock records on a regular basis. Results of stock checks and records of all adjustments should be maintained for inspection by Internal Audit.

25.7 Where Stock Accounts are maintained in ERP Gold, a Stock Certificate ([see Appendix G](#)) and a Stock Template (see the [Closedown intranet page](#)) must be completed at the end of each financial year and returned to the appropriate Finance Team.

### **Authorisation and Approval**

- 25.8 Orders should be completed in accordance with the Financial Regulation on the purchasing of goods / works / services.
- 25.9 Separate people should carry out the three elements of stores management, i.e.:
- (a) authorisation (of orders to replenish stocks, write offs, or stock usage)
  - (b) custody of stocks/stores and record keeping
  - (c) checking stocks to records
- 25.10 Where, as a result of a stock check, a deficiency is identified, amounts of up to £5,000 may be written off by the Chief Finance Officer. Where the adjustment is greater than £5,000 it must be approved by the General Purposes Committee in accordance with the Constitution. Full records of all adjustments must be retained for audit inspection.

### **Best Value**

- 25.11 In general, stocks / stores should be maintained at minimum levels consistent with operational requirements.
- 25.12 Order quantities should be calculated to obtain economies in purchasing consistent with minimising investments in stocks as in 25.11
- 25.13 Where stocks have a limited shelf life or are liable to obsolescence, stores should be used on a first in first out basis.
- 25.14 Disposal of surplus or obsolete stocks / stores must be undertaken in accordance with the County Council's [Contract Procedure Rules](#).
- 25.15 Indicators of stores performance must be kept to provide information on effective stock management:-
- (a) Value of stock by type of stock and total value
  - (b) Results of physical counts
  - (c) Surpluses and deficiencies between physical and recorded stock balances
  - (d) Out of stock situations
  - (e) Stock turnover ratios
  - (f) Excessive and / or slow moving stocks
  - (g) Items written off and the reasons for write-off
  - (h) Disposals of equipment
  - (i) Frauds, theft discovering, and attempted security violations

## **26.0 SECURITY OF ASSETS**

- 26.1 This Regulation applies to all assets (owned or leased), which cost more than £500 and to all portable and attractive items owned by the Authority.
- 26.2 Budget Holders are responsible for ensuring that:



- 26.3 Proper security is maintained at all times for all buildings, furniture, plant, equipment, vehicles, stores, stocks, cash etc. under their control. They should also aim to achieve maximum utilisation of such assets in the provision of services.
- 26.4 Appropriate inventory records are maintained, in accordance with the instructions in [Appendix F](#).
- 26.5 Surplus or obsolete materials, stores or equipment are disposed of in accordance with the County Council's [Contract Procedure Rules](#).
- 26.6 Inventory records should ordinarily be maintained using the standard County Council Inventory Book, obtainable from Facilities Management. Any alternative method of recording inventories must be approved by Internal Audit.
- 26.7 Registers of key holders for buildings, safes etc. should be maintained. Keys should be issued to as few people as possible.
- 26.8 The Chief Finance Officer shall maintain a register of all properties held by the Authority, showing the purpose for which the property is held, the location, extent and plan reference, purchase details and the nature of the interest.
- 26.9 The Chief Finance Officer shall arrange for the safe custody of title deeds in respect of land and properties.

## **27.0 INFORMATION MANAGEMENT SECURITY**

- 27.1 The County Council's [Information Management Policy Framework](#) must be followed.

## **28.0 FRAUD AND CORRUPTION**

- 28.1 The County Council is committed to the elimination of fraud and corruption and is determined to protect itself from such unlawful activities, whether they are attempted from within or by an outside individual, group or organisation. The County Council's [Anti Fraud and Corruption Policy](#) must be followed.

## **29.0 WHISTLEBLOWING**

- 29.1 The County Council is committed to the highest possible standard of operation, probity and accountability, and recognises that its workers are often the first to realise that there may be something wrong within the Council. Please follow the [Whistleblowing Procedure](#), rather than ignore the concern.

## **30.0 AUDIT REPORTING AND ESCALATION PROTOCOL**

- 30.1 Audit Managers are responsible for ensuring that draft audit reports are issued within a maximum of 4 weeks of completion of the audit fieldwork. Recipients of audit reports are responsible for responding in writing to the factual accuracy of the draft report and providing a satisfactory response to

recommendations within 4 weeks of issue. Reminders to draft reports are issued after 4 weeks. Final audit reports will be issued incorporating the management response within 2 weeks of receipt. For expediency, email is the preferred form of communication.

- 30.2 Where material recommendations are not accepted or no response is received within the timeframes specified, the Audit Manager will discuss with the client and, if still no acceptance or response, will report to the relevant Director.
- 30.3 If a satisfactory response is not received after referral at 29.2 above, the Audit Manager reports to the Chief Internal Auditor who decides on further action. (This may involve reporting to the Chief Finance Officer with recommendations for further action).
- 30.4 Where responses to draft reports have not been received within 2 months, this will be reported to the Audit and Accounts Committee.
- 30.5 Timescales will be accelerated where there is significant risk of material loss or error or where particularly sensitive or contentious issues are involved.
- 30.6 Audit Managers are responsible for bringing to the attention of the Chief Internal Auditor, significant audit findings and sensitive or contentious issues.
- 30.7 The Chief Internal Auditor briefs the Chief Finance Officer monthly on audit issues and findings. The Chief Internal Auditor is responsible for deciding on those issues sufficiently important to bring to the attention of the Chief Finance Officer between these meetings.
- 30.8 The Chief Internal Auditor is responsible for identifying and reporting major issues to the Chief Finance Officer and appropriate Corporate Leadership Team members.
- 30.9 A periodic 'audit issues' report is presented to the Audit and Accounts Committee. Between meetings of the Committee the Chief Internal Auditor is responsible for reporting major issues to the Chairman of the Committee.
- 30.10 Follow-up audits have been introduced to ensure proper implementation of audit recommendations where major weaknesses in systems have been identified. Progress on the implementation of recommendations is reported periodically to the Audit and Accounts Committee.

### **31.0 FINANCE MANAGEMENT ARRANGEMENT FOR SERVICES**

#### **31.1 SERVICE MANAGEMENT TEAMS**

- 31.1.1 Collectively, Service Management Teams have a responsibility to ensure the right climate for financial management to meet their objectives. A crucial element of this is striking a balance between keeping control of the Office's overall position whilst giving individual managers the responsibility and managerial freedom to take decisions themselves.
- 31.1.2 Service Management Teams need to recognise that all Directorates within the Service make a vital contribution to the achievement of the Service Plan and key objectives. In determining annual budget cash limits, and allocating either budget cuts or new resources, the Service Management Team will

seek to ensure, within the context of the political decision making process, a fair distribution of resources between Directorates. The framework within which this principle of budget allocation will apply is the Business Planning (BP) process.

31.1.3 Service Management Teams will receive a monthly Finance & Performance Report from their Strategic Finance Manager throughout the year (except for April) setting out the latest position and including (from May) an updated outturn projection for the Service. This will be based on the information from the ERP Gold system as adjusted for any additional information available. It is a Service Management Team responsibility to monitor spending against the cash limits approved by Full Council. Other management teams throughout the Service should also consider such reports on a regular basis.

31.1.4 Each Service shall, at all times, endeavour to secure best value for money and shall:

- a) establish, wherever possible, cost targets and performance measures for its various services and functions;
- b) establish sound arrangements for the planning, appraisal, authorisation and control of its resources and ensure that these are working properly in order to achieve economy, efficiency, and effectiveness in its operations; and
- c) establish arrangements to achieve and report efficiency savings as required by the Council.

## 31.2 BUDGET REVIEWERS

31.2.1 Individually, members of the Service Management Team, and other line managers, will act as Budget Reviewers for their own areas of responsibility. As the line manager of Budget Holders, this reviewing role involves:

- a) Monitoring Budget Holders' management of budgets and delegation arrangements through regular supervision, periodic managerial (team) meetings and the annual appraisal system.
- b) Promotion of budget holder skills and abilities in financial management in order to reduce financial risk, in accordance with the Financial Training Plan.
- c) Communication to their staff of financial decisions taken at the Service Management Team.
- d) Agreeing with the Budget Holder any significant remedial action required to keep within budget, and to meet corporate targets in relation to prompt payment of invoices and debt collection.
- e) Reviewing debt management protocols and criteria.

- f) Authorising virements between their Budget Holders, on ERP Gold, in accordance with [appendix H](#), to ensure, collectively, expenditure is kept within target, and taking advice from the relevant capital accountant in relation to virements of capital between programme areas.
- g) Reporting to Service Management Team, when the Strategic Finance Manager presents monthly finance & performance information, any significant action taken or required to keep on budget. Where, overall, a major budgetary problem is forecast, the Budget Reviewer must identify and report on options to bring expenditure back within budget.
- h) Ensure that Council targets relating to required efficiency savings are being achieved and reported.

### 31.3 BUDGET HOLDERS

31.3.1 Financial regulations operate on the principle that every budget head has one (and only one) Budget Holder.

31.3.2 The Budget Holder's role is to:

- a) Set the budget level of individual expenditure/income lines within the cash-limit allocated, using ERP Gold, in accordance with instructions issued by LGSS Finance.
- b) Authorise orders for expenditure to be incurred, and arrange for income to be collected, against budgets held.
- c) Control budgets within the overall total allocated to them.
- d) Ensure that financial administration (including any records not kept on ERP Gold) in connection with budgetary responsibilities is carried out efficiently in accordance with financial regulations, consistent with meeting corporate targets set for prompt payment of invoices and debt collection.
- e) Respond to the Debt Management referrals in accordance with the Debt Policy ([13.0](#)).
- f) Develop personal and team skills in financial management and administration.
- g) Approve virements within their budget responsibility, as allowed by these regulations.
- h) Ensure that transactions are coded to correct account codes on the financial ledger to ensure accuracy in the Council's externally audited Statement of Accounts, and to comply with the Local Government Transparency Code. (Further information on account codes and expenditure categories is given in the [Budget Holder Information Pack](#).)

- i) Update monthly outturn forecasts on a regular basis, in ERP Gold, in accordance with timetables, in conjunction as necessary with their financial adviser, and alert their Budget Reviewer to significant budgetary problems.
- j) Ensure correct profiles are used on ERP Gold, to aid budgetary control.
- k) Respond to Internal Audit reports on areas specific to their responsibility, within timescales agreed with the Chief Internal Auditor.
- l) Identify and report to their Budget Reviewer, efficiency savings made.
- m) Safeguard accounting documentation held to prevent loss, destruction or unauthorised alteration. Data maintained on computer must be physically and logistically protected and regularly backed-up to ensure that data can, if necessary, be recreated within a reasonable working period.

#### 31.3.3 The Budget Holder is responsible for:

- a) Positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- b) Understanding and ensuring compliance with this Scheme of Financial Management.
- c) Complying with Service variations to the Finance Management Arrangements for Services.
- d) Timely implementation of agreed audit recommendations.
- e) The introduction and maintenance of adequate and cost effective systems of internal control within their area of responsibility.
- f) Initiating exception reports, where necessary, for the Strategic Finance Manager and / or Chief Internal Auditor.
- g) Reporting any potential overspending or underspending to their line manager in a timely manner.
- h) Training and developing themselves and their staff in relation to financial competencies.

Further Budget Holder guidance is available within the [Budget Holder Information Pack](#). All Budget Holders will be asked to sign up to the above roles and responsibilities through the return of a signed [Budget Holder Agreement Form](#).

#### 31.4 Substitution of Financial Responsibility

- 31.4.1 When planning to be on leave Budget Holders should request a substitute Budget Holder via Let's Go Direct to ensure that authority regarding the processing of their budget-holding responsibilities, including authority to authorise ERP Gold orders, is temporarily reassigned. A substitute Budget Holder must be a post-holder with a role higher up the ERP Gold Tier Hierarchy, e.g. a Budget Holder with Tier 4 approval rights must request a substitute Budget Holder at Tier 3 (Head of Service) or above.
- 31.4.2 Budget Holders must ensure that these temporarily reassigned arrangements are clearly documented and communicated to staff concerned.
- 31.4.3 In any case, the formal ultimate responsibility for managing budgets rests with the designated Budget Holder. They must ensure that suitable controls and appropriate financial administration are in place for them to fulfil their responsibilities.
- 31.4.4 Where Budget Holders temporarily reassign some responsibilities, they themselves are still accountable to their Budget Reviewer and must ensure that, through supervision and management team meetings, they are monitoring the budgetary situation.

## 31.5 LGSS FINANCE

- 31.5.1 LGSS Finance will provide information, support and advice to all Budget Holders, Budget Reviewers and other staff/managers to assist them in their financial responsibilities. Service Level Agreements with Budget Holders may be put in place to provide additional clarification of the role of Finance. These arrangements may take into account risk analysis of the area of budget activity and the level of expertise and support available to each Budget Holder.
- 31.5.2 The ERP Gold system is the definitive record of financial transactions, supported by systems that feed into / interface with ERP Gold, e.g. Mosaic. Any local records used for budget management purposes should be reconciled by Budget Holders back to ERP Gold.
- 31.5.3 As well as supporting Services, Finance will carry out an enforcement role in ensuring that Budget Holders adhere to this Scheme of Financial Management and any other corporate requirements. Finance must also provide information for overall corporate reports on the annual budget, in-year budget monitoring, and the final outturn.
- 31.5.4 Each Budget Holder will have a financial adviser allocated to them to act as a first point of contact in Finance and to provide the support required for the day-to-day management of budgets.
- 31.5.5 Customer feedback on the effectiveness of the Finance Section role will be sought. Finance must ensure that the financial training and Budget Holder competencies are implemented.

### 31.6 BUDGET SETTING

- 31.6.1 The budget setting process is critical to successful financial management and, in strategic terms, will flow from the Corporate (including BP), Service and Directorate Plans, which set priorities for service changes and investment.
- 31.6.2 The Chief Finance Officer shall issue instructions annually on the processes for preparing the BP and the Annual Budget.
- 31.6.3 At a more detailed level, instructions for Budget Holders on constructing their budget will be issued by LGSS Finance at the start of each BP process.
- 31.6.4 Budget Holders must make every effort to ensure that budgets they set meet commitments or likely commitments to be encountered. Setting budgets at a level which is known to be unmanageable is not permitted. Budget Holders who cannot contain such budgets within their overall cash limit must alert their Budget Reviewer at the earliest opportunity.
- 31.6.5 Budget Holders will be notified of their final budget allocations as soon as possible after the County Council's annual budget meeting in February and by 31 March at the latest.
- 31.6.6 The BP process is the prime process. In-year requests for supplementary estimates are not permitted, except in exceptional circumstances and after prior consultation with the Chief Finance Officer (see financial regulations [6.4](#) and [8.3](#)).

### 31.7 BUDGETARY CONTROL

- 31.7.1 A Service's overall budgetary position is the responsibility of either the Executive Director or the Director, and this responsibility cascades down through Service Management Team, Budget Reviewers and individual Budget Holders.
- 31.7.2 At each level, managers must ensure that budgetary targets are met and, if particular budgets are forecast to overspend, early warning should be given and remedial action taken within the immediate management group to address this situation. Only when collectively that overspend cannot be contained should the problem be referred to the next management level. The role of the Budget Reviewer is crucial in this process, especially where the scope for remedial action at Budget Holder level is limited.
- 31.7.3 In order to ensure that reports are giving a correct message, it is important that Budget Holders pay particular attention to the way their budgets are profiled in the accounting system and action changes to profiles if these do not accord with realistic spending patterns.
- 31.7.4 LGSS Finance may require additional information and explanation from Budget Holders and their Budget Reviewers where the Service Finance &

Performance Report gives cause for concern. This should include the financial impact of any remedial action taken.

31.7.5 Financial projections of likely budget positions at the end of the year should also be reported to management teams on a regular basis. These forecasts are the responsibility of the Budget Holder, who must ensure all forecast outturns are updated in the ERP Gold system, but the financial adviser may assist in their production and will undertake a verification of the final projection.

31.7.6 Should any remedial action be required to achieve a balanced budget, Budget Holders must use virement facilities on ERP Gold to transfer budget between areas within their control to reflect this.

31.7.7 Where virement between their Budget Holders is required, this must be actioned on ERP Gold by the Budget Reviewer, who must comply with the authorisation rules as set out in [appendix H](#).

31.7.8 Where virements are processed, relevant budget holders must ensure that the forecast outturn in ERP Gold is updated to reflect the new budget position.

31.7.9 At the end of the financial year any service outturn under/overspends will be balanced to the General Fund reserve.

## 31.8 CAPITAL

31.8.1 The annual capital budget / programme is approved each year in February in the context of the BP process.

31.8.2 Every scheme in the programme will have an agreed budget and identified source of funding. All variations in the estimated cost of schemes and / or the sources of funding must be approved by Service Management Team.

31.8.3 For each scheme in the programme a manager will be designated as Budget Holder. The Budget Holder's responsibility is to monitor both progress and financial performance e.g. expenditure against the capital budget, and to alert their capital accountant and Strategic Finance Manager to significant financial control problems and/or slippage in the completion of the scheme.

31.8.4 A monthly Capital Monitoring Report will be prepared and included in the Service Finance & Performance Report, which will be presented to their respective Committee in line with the Council's overall financial reporting schedule. These capital monitoring reports will also feed into the corporate Integrated Resources and Performance Report, which is presented to Capital Programme Board and Strategic Management Team monthly and the General Purposes Committee in line with the Council's overall financial reporting schedule.

## 31.9 AUTHORISATION OF VIREMENT PROPOSALS



31.9.1 Revenue and capital virement authorisation limits are set out in [appendix H](#)

Appendix A**STATEMENT OF FINANCIAL RESPONSIBILITIES****1. Chief Executive**

The Chief Executive will be responsible for:

- understanding the nature of reporting needed under Sections 151 and 114 and the delegation arrangements in place to ensure proper performance.
- establishing an effective monitoring and reporting framework to enable him / her to properly hold Executive Directors or Directors accountable for the discharge of their responsibilities.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

**2. Chief Finance Officer**

The Chief Finance Officer has the Section 151 and 114 responsibilities.

The Chief Finance Officer will be responsible for:

- setting adequate standards, protocol and procedures for budgeting, accounting, systems, and reporting and for establishing a framework of monitoring to ensure these requirements are met.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- advising officers on the issues and circumstances in which reporting is needed.
- accepting reports from Executive Directors or Directors on an exception basis.
- accepting routine reports from the Head of Finance/ Deputy Section 151 Officer and Strategic Finance Managers.
- approving any detailed schemes of local financial management.
- approving the implementation of local financial systems.
- the maintenance of a structured scheme of financial training.
- reporting on an exception basis to the Chief Executive.
- capital financing determinations under the Local Government and Housing Act 1989 where these may be made by an officer.
- determining the form of the Council's accounts and records, including determining the accounting policies used by the Council and ensuring that the annual Statement of Accounts is prepared in accordance with all relevant accounting standards.

- signing off grant claims, where the conditions require it.

### 3. Monitoring Officer

The Director of Legal and Governance Services is designated as the 'Monitoring Officer' whose functions include:

- ensuring lawfulness and fairness of decision making in consultation with the Head of Paid Service (Chief Executive) and Chief Finance Officer.
- reporting to the Council and to the Executive in any case where he/she is of the opinion that any proposal or decision of the authority has given rise to or is likely to or would give rise to any illegality, maladministration or breach of statutory code under Sections 5 and 5A of the Local Government and Housing Act 1989; (LGHA 89)
- advising whether decisions are within budget and policy framework.
- providing advice on the scope of powers and authority to take decisions, including matters of financial impropriety and probity.

### 4. Executive Directors (People & Communities and Place & Economy) and Directors (Corporate & Customer Services, Public Health and Business Improvement & Development)

Executive Directors (People & Communities and Place & Economy) and Directors (Corporate & Customer Services, Public Health and Business Improvement & Development) are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- establishing an effective monitoring and reporting framework to ensure a proper awareness of significant issues.
- reporting as required to the Chief Executive (and as appropriate to the Chief Finance Officer) on any significant issue relating to their area of responsibility.
- ensuring staff throughout their departments are aware of their responsibilities and are capable of discharging them.
- ensuring adequate standards of internal control within their departments, and in particular, through their Service Management Team, ensuring the proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- identifying the individual Directors responsible for ensuring proper control for particular services (including corporate controls such as the register of interests).

- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.

## 5. Head of Finance and Strategic Finance Managers

The Head of Finance/ Deputy Section 151 Officer and Strategic Finance Managers are responsible for:

- understanding the nature of reporting needed under Sections 151 and 114.
- obtaining the necessary information about their services to enable them to report (including receiving reports from the appropriate Service Finance Manager and/or Senior Finance Business Partner).
- initiating exception reports, when necessary, to the relevant Executive Director/Director and to the Chief Finance Officer.
- ensuring proper awareness within the Service Management Team of the principles of control and the requirement for the introduction of cost effective control systems.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- the introduction and maintenance of variations to the Finance Management Arrangements for Services.
- establishing a framework of monitoring to verify that control requirements are met and agreed internal audit recommendations are implemented on a timely basis.
- deputising for the Section 151 Officer when required and have delegated authority to sign financial claims, bids, and other financial statements and reports on behalf of the Section 151 Officer.

## 6. Service Directors

Service Directors will act for Executive Directors over his / her internal control responsibilities. This role will involve (within their areas of responsibility):

- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- ensuring all applicable staff have seen and understand the Scheme of Financial Management.
- ensuring proper identification of risk and the introduction of cost effective systems of control to reduce risk to an acceptable level.
- ensuring timely implementation of agreed internal audit recommendations.
- establishing a robust monitoring and reporting framework to ensure control responsibilities are met.

- initiating exception reports where necessary to the Strategic Finance Manager and / or Chief Internal Auditor.
- reporting any potential overspending or underspending to their Executive Director.
- ensuring levels of financial competence in line with the Financial Training Plan.

## 7. Chief Internal Auditor

The Chief Internal Auditor is responsible for:

- the independent audit of internal financial control systems within the authority to assess their adequacy to ensure:
  - reliable financial and other management information and reporting
  - compliance with laws, regulations, policies, rules, etc.
  - properly safeguarded assets and interests
  - efficient and effective operations
- recommending and gaining acceptance of improvements to systems of internal control identified as necessary during the course of audits.
- reporting to
  - Strategic Finance Managers / Executive Directors and Directors
  - Chief Finance Officer
  - Audit and Accounts Committee
  - the relevant Budget Holderon main control issues, improvements agreed, and improvements made.
- initiating on an exception basis such reports that are necessary for the Chief Finance Officer and / or Chief Executive.
- positively promoting a culture of probity and sound financial discipline and control as requirements of the organisation.
- providing advice on the nature of internal controls, the potential consequences of poor control and the control options available to reduce or limit risk.

## 8. General Purposes Committee (GPC)

The GPC delegated authority includes:

- authority for monitoring the overall performance of the Council against its Business Plan
- authorising budget virement which is not covered within the limits of virement contained in the Council's financial rules, provided there is no change in the approved policy framework of the Council. Virement

limits are set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules)

- authorising proposals which are not covered by the finance limits of the Executive Directors and Directors delegated powers contained in A3 – A7, as set out in the table at paragraph 3 of Part 3D of the Constitution, provided there is no change in the Council's approved budget and policy framework.
- deciding on the appropriate allocation of grants where these are supplied without a ringfence and exceed the virement limits set out in the Constitution in Part 3D (Scheme of Delegation to Officers) and Part 4 (Financial and Contract Procedure Rules).
- deciding on the appropriate allocation of carry-forwards of service underspends, including considering service committee proposals.

A full list of the GPC's delegated authority can be found in Part 3B of the Constitution (Responsibility for Functions).

Appendix B**RETENTION OF FINANCIAL RECORDS**

It is important that records (computerised or manual) are carefully retained and systematically filed as they are required for inspection by a number of agencies such as Internal Audit, the external auditor, Contributions Agency, HMRC officials etc.

The required MINIMUM period for the retention of financial records is:

**CURRENT FINANCIAL YEAR PLUS THE THREE PREVIOUS FINANCIAL YEARS**

This applies to:

- Receipts,
- Till Rolls,
- Invoices,
- Copy Orders,
- Audit Trails,
- School Meals and School Funds (non-public) Records,
- Government Procurement Card Transaction logs.

The advised periods for the retention of other financial records are detailed below:

**Accounts etc**

Sales Contracts

Purchasing Contracts

Stock Inventories

Published Accounts

Taxation Returns

External Audit Reports

Cheques

Bank Statements

Cash Statements

Deeds of Covenant

Primary Salaries & Wages Records

Expense Accounts

Pension Scheme Records

Business Planning Papers

Capital Working Papers and Documentation  
(to support the requirements of [regulation 5](#))

Budgetary Control Reports

**Period of Retention**

6 years after agreement ends

6 years after agreement ends

7 years

Permanently / Indefinitely

Permanently / Indefinitely

Permanently / Indefinitely

6 years

6 years

6 years

12 years after final payment

7 years

7 years

Permanently / Indefinitely

3 years

6 years from completion of project

3 years

**Insurance**

Insurance Policies (Excluding Liability)

6 years after lapse

Liability Insurance Policies

Permanently / Indefinitely

Insurance Claims

6 years after settlement

Insurance Schedules

10 years

Appendix C**THE SERVICE REPORTING CODE OF PRACTICE (SERCOP) - DEFINITION OF ACTIVITIES TO BE TREATED AS TRADING ACCOUNTS**

The 2019/20 version of the SERCOP issued by CIPFA defines the five main types of trading operation that may be run by local authorities as:

1. Trading services or undertakings with the public or with other third parties. These include, amongst others, catering undertakings, markets, trade refuse collection and industrial units.
2. External trading organisations (ExTOs), which have won contracts from other public bodies, for example under the Local Authorities (Goods and Services) Act 1970.
3. Work carried out by internal trading organisations (InTOs) arising from voluntary competitive tendering (VCT) exercises.
4. Support services provided in a free internal market, i.e. to schools or to other budget holders who have been given freedom to buy externally if they wish.
5. Support services provided in a limited internal market, e.g. where budget holders are free to decide the quantity and type of work to be done on the basis of the prices quoted to them, but not to buy externally.

*(Service Reporting Code of Practice 2019/20, Section 2.30 – Trading Accounts and Trading Operation, p.39)*



Appendix D**TRADING BUDGETS AND EXTERNAL TRADING****1. PURPOSE**

- 1.1 To offer guidance to Trading Unit Managers as to the considerations that should be brought into account in seeking to undertake work for other organisations.

**2. ADVICE TO TRADING UNIT MANAGERS**

- 2.1 There are four aspects to this area:

- (i) Legal considerations
- (ii) Prudential considerations
- (iii) Business considerations.
- (iv) Other considerations

2.2 Legal

The Local Government Act 2000 gives Local Authorities a general power to do anything which they consider likely to achieve the promotion or improvement of the economic, social and/or environmental well being of their area. The power cannot be exercised in a way which is otherwise prohibited and the manner in which it is to be exercised needs to be reflected in the Council's Community Strategy.

In addition, the duty on Local Authorities in the Local Government Act 1999 to secure Best Value requires Councils to make arrangements to secure continuous improvements in the way in which functions are exercised having regard to a combination of economy, efficiency and effectiveness.

It is open for Local Authorities to develop trading activities within the framework of the above legislation but proposed commercial activity would need to be linked to both the general power of well-being and the Best Value requirement. It would be prudent to expressly identify proposed trading activity for a purpose or for a body, which is not another Local Authority or public body, within the meaning of the following paragraphs within the Community Strategy.

In addition to the above general powers and duties, Local Authorities still have the ability to put in tenders or bid for work for external clients who fall within the context of other legislation which includes primarily the Local Authorities (Goods and Services) Act 1970 (Public bodies); the Local Government Act 1972 (other local authorities) and certain particular powers in other legislation.

The purposes in the 1970 Act are:

- the supply of any goods or materials, including the purchase and storage of any goods or materials;
- the provision of any administrative, professional or technical services;

- the use by the public body of any vehicle, plant or apparatus and the placing at their disposal the services of any persons employed in connection with the vehicle etc.;
- the carrying out of works of maintenance (not construction) in connection with land or buildings.

### 2.3 Prudential Considerations

It is important that arrangements should not be entered into which expose the County Council, and its taxpayers, to financial risk. This means that Trading Unit Managers must:

- (i) consider the existence and availability of suitably skilled staff.
- (ii) ensure the adequacy of the preparation of charges for external work and the management information and control systems. Costings should be sufficiently wide to cover set-up costs, cash-flow and provision for termination costs (e.g. potential redundancies);
- (iii) ensure that external work is not disproportionately large compared to service provided within the authority;
- (iv) not bid for work / tenders that would involve taking on substantial extra staff to handle the contract;
- (v) where a contract is potentially short-lived, but may require some additional staff, they should ensure that these staff are appointed on fixed-term contracts;
- (vi) ensure that they consult with the Chief Internal Auditor on appropriate professional indemnity insurance prior to bidding for work;
- (vii) ensure that the purpose of the arrangements is not to maintain employment.
- (viii) ensure that the contract business generates at least a marginal surplus.

### 2.4 Business Consideration

Before undertaking such work, Trading Unit Managers should actively include proposals within its Annual Business Plan for the service. Consideration in a Business Planning context would encompass:-

- (i) does provision further the objectives of the Trading Unit?
- (ii) the managerial capability to handle the work, including the need to ensure that undertaking the work does not overstretch the unit, or compromise service provision to internal customers.

### 2.5 Other Considerations / Questions

- (i) Is the external work carried out for a County Council Partner? Does it help to meet mutual objectives? Is the partner from the public (police/another authority) private or voluntary sector?

- (ii) What are the trading arrangements (e.g. annual agreement, spot bought, by project tender). Therefore how long is the external client likely to need the service, and what is the relative security of income?
  - (iii) What are the risks associated with the contract conditions that apply? Do they offer flexibility to the unit or do they place a commitment on them that, if unfulfilled, would leave the County Council liable in law to fund the work carried out by another organisation?
  - (iv) What are the “market conditions” that apply to the work? Will pricing in any tender need to be very competitive? Will this significantly increase the risk of returning a loss? Would the Trading Unit therefore charge external clients less than it would an internal client?
  - (v) What are the benefits (skills/experience) of working for external customers? Will these help the Trading Unit in its work for the County Council?
  - (vi) What is the scale of the operation of the unit and the present or projected volume and proportion of external work? What are the trends? If trading losses were incurred how large could they be in financial and political terms? What is the “worst case” scenario?
  - (vii) What is the “critical mass” of the unit? By reducing or removing external work would the critical mass be threatened, thereby increasing unit costs and making the unit less viable? Is there a critical mass in terms of skills and abilities?
  - (viii) Does external work / customers allow the Council to make better use of facilities - perhaps benefiting the wider community?
3. The above factors are only pointers to the legality, prudence and business sense of an arrangement. It is a matter of striking a balance. Beyond ensuring that the proposals are within legal powers, one adverse factor, alone, may not be a reason not to proceed.
4. Selling services to the private sector would generally be outside the Council's powers and any proposal in that direction must be agreed in advance with the Chief Internal Auditor and the Chief Finance Officer. Very exceptionally, a private sector contract may be permissible if, within existing resources, there is a temporary surplus capacity and the Council could use that capacity to establish that the contract is incidental to the exercise of the Council's proper functions, and therefore lawful. But such circumstances occur only at the margin and infrequently.
5. The above guidance is simply that, guidance. The essential points, beyond acting within the law, are to act prudentially and consistently within the aims of the Trading Unit. By its nature this guidance is general and specific circumstances vary. Before proceeding with any proposals, Trading Unit Managers should first consult with the Chief Internal Auditor and the Chief Finance Officer.

Appendix E**TRADING BUDGETS' DIRECT AND OTHER CHARGES**

<b>Direct Charges for Trading Units</b>	<b>Method of Recharge for Trading Units</b>	<b>Comments</b>
Accommodation	Direct charge in relation to the amount of accommodation occupied	Charge based on a standard cost per square metre
Finance	Direct charge	Charged by Finance-irregular service
Building Maintenance (Revenue)	Direct Charge (where this is not a County Office)	County Offices come under County Offices Recharge
Payroll	Direct charge	
Debt & Income	Direct charge - per transaction	Pay As You Use – regular service. Charged by Debt & Income
Accounts Payable	Direct charge - per transaction	Pay As You Use – regular service. Charged by Accounts Payable
HR – Recruitment	Direct charge - for costs of any recruitment	Pay As You Use – irregular service. Charged by HR
HR – Training	Direct charge - for costs of any training course	Pay As You use – irregular service. Charged by HR
Insurance	Direct charge of providing cover	

Appendix F**INVENTORY INSTRUCTIONS****1. PURPOSE**

- 1.1 To provide instructions on how inventories must be maintained.
- 1.2 Internal Audit must be consulted prior to computerising the inventory.

**2. INVENTORY RECORDS**

- 2.1 The inventory must include individual items of value exceeding £500. However, it is recommended that items of lesser value should be included if they are attractive and portable. Furniture need not be included unless it is considered unique or particularly valuable.
- 2.2 Serial numbers of equipment must be noted as this information may be very useful to the police if items are stolen. Security marking should be used to record the name of the establishment and its postcode. (Items on loan from other establishments etc. should not be marked).
- 2.3 Budget Holders must ensure that the register is kept up to date. Systems therefore should ensure that the person responsible for the inventory is kept fully informed of purchases, loans, write-offs etc.
- 2.4 Proper procedures must be established for loans of equipment, including authorisation policy, specification of finite periods of loan and written acknowledgement of loan. Loans out and items borrowed must be recorded in the sections provided at the back of the inventory book.
- 2.5 The Budget Holder must sign the inventory book to authorise write-offs, transfers and sales.
- 2.6 Budgets Holders must ensure that inventories are checked at least annually. The existence of items loaned out, and those held on loan should also be checked. The annual check should be undertaken by someone other than the person responsible for the equipment on the inventory. The check must be documented as specified in the inventory book.
- 2.7 Where the Budget Holder is responsible for several establishments or Services/Corporate Directorates, each with their own inventory, a master list of inventories held should be maintained.
- 2.8 Surplus, obsolete or unserviceable equipment must first be offered to other establishments or departments. If it is not required by other parts of the Council, it should be sold at the best price available, in accordance with the County Council's Contract Procedure Rules. Where computers are to be disposed of, IT advice must be sought in view of the implications for software licences and data security. The agreed price must be paid before removal of the item.
- 2.9 A copy of the inventory must also be kept off-site.

## Appendix G

CAMBRIDGESHIRE COUNTY COUNCIL

# STOCK CERTIFICATE

Stock Description \_\_\_\_\_

Held at \_\_\_\_\_

I CERTIFY that to the best of my knowledge and belief that:

- (1) The total value of stock in hand as at 31<sup>st</sup> March 20 is £ and individual quantities and value of commodities included in the total are correct. The values have been calculated at the lower of cost and realisable value (see note below).
- (2) The commodities shown in the stores records have been the subject of a periodical test examination of stores in hand and all stores have been checked at least once during the year in accordance with Financial Regulation 24.7.
- (3) Any surpluses or discrepancies revealed by a periodical test examination or otherwise have been investigated and dealt with in accordance with Financial Regulations 24.11

Signed \_\_\_\_\_ Service / Corporate  
 Position \_\_\_\_\_ Directorate \_\_\_\_\_  
 Date \_\_\_\_\_

TO BE RETURNED TO: The Appropriate Finance Unit  
at Shire Hall

### Note

Stocks should be valued at cost price unless they are obsolete or have been subject to a price decrease after their purchase. In the former case the best estimate of market value should be used. In the latter case, the correct basis is price at 31<sup>st</sup> March.

Please also complete a Stock Template (see the [Closedown intranet page](#)).

Appendix H**AUTHORISATION OF VIREMENT PROPOSAL****VIRE REVENUE BUDGET FROM BUDGET HOLDER TO:**

<b>REVENUE</b>		<b>Over £175,000</b>	<b>£50,001 to £175,000</b>	<b>£10,000 to £50,000</b>	<b>Less than £10,000</b>
1	Same Budget Holder	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Budget Holder
2	Another Budget Holder in same Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Holders
3	Another Budget Holder in another Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Reviewers

- Note:
- (1) GPC approves virements over £175,000 between main budget headings defined as the objective analysis of expenditure incorporated in the published Budget report for each Service Block.
  - (2) Virements from one off underspends to meet ongoing commitments will not normally be authorised.

VIRE **CAPITAL** BUDGET FROM BUDGET HOLDER TO:

<b>CAPITAL</b>		<b>Over £250,000</b>	<b>£50,001 to £250,000</b>	<b>£10,000 to £50,000</b>	<b>Less than £10,000</b>
1	Same Budget Holder	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Budget Holder
2	Another Budget Holder in same Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Holders
3	Another Budget Holder in another Division	GPC	Chief Finance Officer and Executive Director (P&C and P&E)/ Director (Corporate & Customer Services, Public Health and Business Improvement & Development)	Strategic Finance Manager and Head of Service	Both Budget Reviewers



Appendix I**SCHEME FOR APPROVING CARE PACKAGE EXPENDITURE IN MOSAIC**

Care expenditure is paid by ERP Gold mostly through an interface with Mosaic, the social care system. Expenditure on care is driven by the needs of a person assessed by social work staff through a quality assured assessment process, with care then commissioned in the most cost effective way to meet the person's assessed needs.

Budget holders have oversight of the processes and supervision of staff involved, and so authorisation is deemed to be given to incur expenditure if the standard Mosaic processes are followed. Care must be provided in line with assessed needs, and so in most cases the need for a separate control around authorisation levels at varying degrees of seniority is not required. Residential packages are not agreed unless confirmed by a panel of officers and within the process for assessing need there is always review by another appropriately experienced or qualified professional. As a result of the process, no single officer will authorise care package spending without the involvement and oversight of another. The final formal authorisation of payments in these cases will be in line with standard Mosaic processes and will sit with a manager in the Adults Finance Operations Team, who verifies that the care package has been loaded correctly in the system and that it is in line with the assessment. The activity of authorising managers within this team will be periodically reviewed to ensure expenditure is appropriate, and decisions around the cost of higher-cost packages of care will be agreed by practice panels between commissioning and operational managers.

Where expenditure is directly through ERP Gold rather than the Mosaic interface, the standard processes for ERP Gold will be followed.

Appendix J**FEES & CHARGING REQUEST TEMPLATE**

This form should be completed for new charges and changes to existing charges.  
Please complete all boxes up to the dashed line

Reference:			
Officer contact name:		Date:	
Directorate:		Service:	
Title of charge:			
Additional information, reason for change/introduction:			
Current charge:		New charge:	
Implementation date:		Payment method:	
Statutory/Non-Statutory			
VAT Rating	For VAT advice contact <a href="mailto:TAX@northamptonshire.gov.uk">TAX@northamptonshire.gov.uk</a>		

Executive Director / Director approval: (If approval is given please sign below)	
Executive Director / Director comments:	

**SIGNED:****DATE:**

Appendix K**CONTACT OFFICERS**

In case of any query on Financial Regulations, please contact any officer listed below.

**Deputy Chief Executive and Chief Finance Officer**

<a href="#"><u>Chris Malyon</u></a>	Chief Finance Officer	01223 699796
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**Finance Operations**

<a href="#"><u>Alison Balcombe</u></a>	Head of Finance Operations	07748 424918
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**Debt**

<a href="#"><u>Robin Bates</u></a>	Head of Revenues & Benefits	01604 838495
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**Payroll & HR Transactions**

<a href="#"><u>David Hannah</u></a>	Head of Payroll & HR Transactions	07738 637245
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**Professional Finance**

<a href="#"><u>Tom Kelly</u></a>	Head of Finance and Deputy Section 151 Officer	01223 703599
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<a href="#"><u>Sarah Heywood</u></a>	Strategic Finance Manager (Place & Economy, Customer & Digital & Central)	01223 699714
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<a href="#"><u>Martin Wade</u></a>	Strategic Finance Manager (Children & Young People, Education, Communities and Public Health)	01223 699733
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<a href="#"><u>Stephen Howarth</u></a>	Strategic Finance Manager (Adults & Safeguarding (+NHS))	01223 714770
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<a href="#"><u>Eleanor Tod</u></a>	Strategic Finance Manager (Corporate Finance)	01223 699139
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**Audit**

<a href="#"><u>Duncan Wilkinson</u></a>	Chief Internal Auditor	01908 252089
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Appendix L**REFERENCES**

<b>Area</b>	<b>Actual Web Address</b>
<a href="#"><u>Contract Procedure Rules</u></a>	<a href="http://sharepoint.lgss.local/sites/lpg/procurement/_layouts/15/WopiFrame2.aspx?sourcedoc=/sites/lpg/procurement/LGSS%20Direct%20Content%20OPEN/CCC%20Contract%20Procedure%20Rules.pdf&amp;action=default">http://sharepoint.lgss.local/sites/lpg/procurement/_layouts/15/WopiFrame2.aspx?sourcedoc=/sites/lpg/procurement/LGSS%20Direct%20Content%20OPEN/CCC%20Contract%20Procedure%20Rules.pdf&amp;action=default</a>
<a href="#"><u>Council's Constitution</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a>
<a href="#"><u>Scheme of Delegation</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 3, 3D)
<a href="#"><u>Scheme of Operation</u></a>	<a href="http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx">http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx</a>
<a href="#"><u>Article 11 - Officers</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 2, 2-11)
<a href="#"><u>Financial and Contract Rules</u></a>	<a href="https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccc_live/Documents/PublicDocuments.aspx</a> (Part 4, 4-5)
<a href="#"><u>VAT Basics Guide</u></a>	<a href="http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/VAT%20Basics%202012%20LGSS.pdf">http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/VAT%20Basics%202012%20LGSS.pdf</a>
<a href="#"><u>Anti-Money Laundering Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Anti-money-laundering.aspx">http://sharepoint.lgss.local/Pages/Anti-money-laundering.aspx</a>
<a href="#"><u>Human Resources Policies</u></a>	<a href="http://sharepoint.lgss.local/_layouts/15/LGSS.Intranet/Navigation.aspx?cat=1">http://sharepoint.lgss.local/_layouts/15/LGSS.Intranet/Navigation.aspx?cat=1</a>
<a href="#"><u>Consultants and Interims Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Consultants.aspx">http://sharepoint.lgss.local/Pages/Consultants.aspx</a>
<a href="#"><u>Recruitment</u></a>	<a href="http://sharepoint.lgss.local/Pages/Recruitment-and-selection.aspx">http://sharepoint.lgss.local/Pages/Recruitment-and-selection.aspx</a> /
<a href="#"><u>Whistleblowing</u></a>	<a href="http://sharepoint.lgss.local/Pages/CCC-Raise-a-concern-policies.aspx">http://sharepoint.lgss.local/Pages/CCC-Raise-a-concern-policies.aspx</a>
<a href="#"><u>Information Management Security</u></a>	<a href="https://camweb.cambridgeshire.gov.uk/our-organisation/corporate-and-customer-services/business-intelligence/information-&amp;-records/handling-information-&amp;-secure-email/">https://camweb.cambridgeshire.gov.uk/our-organisation/corporate-and-customer-services/business-intelligence/information-&amp;-records/handling-information-&amp;-secure-email/</a>
<a href="#"><u>Anti Fraud and Corruption Policy</u></a>	<a href="http://sharepoint.lgss.local/Pages/Anti-fraud-and-corruption.aspx">http://sharepoint.lgss.local/Pages/Anti-fraud-and-corruption.aspx</a>
<a href="#"><u>GPC User Guide</u></a>	<a href="http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/Joint%20-%20GPC%20User%20Guide.doc">http://sharepoint.lgss.local/sites/ptt/finsysdata/LGSS%20Direct%20Content%20OPEN/Joint%20-%20GPC%20User%20Guide.doc</a>
<a href="#"><u>Budget Holder Information Pack</u></a>	<a href="http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx">http://sharepoint.lgss.local/Pages/Financial-Regulation.aspx</a>

**CHANGES TO CONSTITUTION: HIGHWAYS & COMMUNITY INFRASTRUCTURE  
AND COMMUNITIES & PARTNERSHIP COMMITTEES**

*To:* **Constitution and Ethics**

*Meeting Date:* **4 April 2019**

*From:* **Executive Director, Place & Economy / Director of  
Community & Safety**

*Electoral division(s):* **All**

*Forward Plan ref:* **No** *Key decision:*

*Purpose:* **The purpose of this report is to propose a series of  
changes to the Council's constitution in relation to the  
responsibilities of the Highways & Community  
Infrastructure and the Communities & Partnership  
committees**

*Recommendation:* **The Committee is requested to approve the following  
recommendations:**

- a) **To transfer responsibility for the following functions  
from Highways & Community Infrastructure (HCI)  
Committee to Communities & Partnership (CP)  
Committee:**
  - **Libraries**
  - **Archives**
  - **Culture (Partnerships, Projects & Funding Team)**
  - **Registration**
  - **Coroners**
- b) **To update the scheme of authorisation for these two  
committees accordingly, renaming the HCI Committee  
as the Highways Committee**
- c) **To recommend these changes to Council for approval  
at its meeting on 14 May 2019**

<b><i>Officer contact:</i></b>		<b><i>Member contacts:</i></b>	
Name:	<b>Christine May</b>	Names:	Councillors Matthew Shuter and Steve Criswell
Post:	Assistant Director, Cultural and Community Services	Post:	Chair of HCI / Chair of CP
Email:	Christine.may@cambridgeshire.gov.uk	Email:	
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## **1. BACKGROUND**

- 1.1 Senior management restructuring across Cambridgeshire County Council and Peterborough City Council is reshaping the Place & Economy Directorate, with shared senior roles in line with the rest of the organisation. As a result of this restructure, most of Cultural and Community Services (C&CS) are moving into the People and Communities Directorate, within Community and Safety. The Public Transport team will remain in Place & Economy and is included in the remit for Economy & Environment Committee, and the Social & Educational Transport Team will move to the Education Directorate and is included in the remit for Children and Young People Committee.
- 1.2 Whilst organisational restructures do not necessarily or always result in changes to committee reporting, in this case there is a strong rationale for moving C&CS functions from Highways & Community Infrastructure Committee to Communities & Partnership Committee.

## **2. MAIN ISSUES**

- 2.1 Throughout the past year, comments have been made by members about the synergy between Cultural & Community Services (in particular Libraries) and the priorities and remit of the Communities & Partnership Committee, with questions raised about whether this function should be moved to CP Committee. This is now an opportune time to make this move, as all these services are now led by the Director of Community and Safety.
- 2.2 The Library Service makes an important contribution to the CP Committee's ambition to build stronger self-sustaining communities, is already embedded within the Community Resilience Strategy, and provides great opportunity to be placed at the heart of the Think Communities approach, as safe trusted and neutral spaces in communities open to all. The Council is developing the potential of libraries as part of the Cambs 2020 network of 'Spokes' with capital investment to enable longer open hours and touch down facilities for public sector workers and communities to use. CP Committee already has delegated authority 'to develop with .....other partners plans to enhance customer services, including the better use of assets in communities such as libraries...'
- 2.3 Libraries, Archives and Cultural Services have strong links with adult learning and skills as part of the wider picture of lifelong learning, and with a network of learning centres embedded across Cambridgeshire Libraries, there is scope to deepen these links. C&CS services also play a vital role in preventing or delaying demand for more expensive social care interventions. They are central to successful place-making, helping to build community identity and cohesion.
- 2.4 Registration and Coroner services also have a key role to play in prevention work. Registration of births marriages and deaths, and citizenship services, provide unique contact opportunities with citizens at important and often vulnerable times of their lives, when staff are well placed to connect people to information and other sources of support. The Coroner service works closely with the Drug and Alcohol Action Team and a wide range of partners, especially police and hospitals, with the ultimate aim of avoiding future preventable deaths.

- 2.5 Draft revisions to the Constitution for the Communities & Partnerships and the Highways & Community Infrastructure Committee are attached at **Appendix 1** and **Appendix 2** respectively. This includes the proposed re-naming of the HCI Committee as the Highways Committee to reflect its more focused remit going forward.

### **3. ALIGNMENT WITH CORPORATE PRIORITIES**

#### **3.1 A good quality of life for everyone**

There are no significant implications for this priority, although the remit of CP Committee may enable Cultural and Community Services to make broader partnership links, leading to an even more significant role in enabling a good quality of life for everyone.

#### **3.2 Thriving places for people to live**

There are no significant implications for this priority, although the remit of CP Committee may enable Cultural and Community Services to make broader partnership links, leading to an even more significant role in building thriving places for people to live.

#### **3.3 The best start for Cambridgeshire's children**

There are no significant implications for this priority.

### **4. SIGNIFICANT IMPLICATIONS**

#### **4.1 Resource Implications**

There are no significant implications within this category.

#### **4.2 Procurement/Contractual/Council Contract Procedure Rules Implications**

There are no significant implications within this category.

#### **4.3 Statutory, Legal and Risk Implications**

There are no significant implications within this category.

#### **4.4 Equality and Diversity Implications**

There are no significant implications within this category.

#### **4.5 Engagement and Communications Implications**

The following bullet points set out details of significant implications identified by officers:

- The proposal to move functions from HCI Committee to CP Committee was reported verbally at the March meeting of both Committees and recorded in the minutes of those meetings
- Constitution & Ethics Committee's recommendation on this proposal will be reported to Council at its meeting on 14 May for final decision

- Thereafter the revised constitution will be updated on the County Council's web site

#### 4.6 Localism and Local Member Involvement

The following bullet points set out details of significant implications identified by officers:

- The proposal to move functions from HCI Committee to CP Committee was reported verbally at the March meeting of both Committees and recorded in the minutes of those meetings
- Constitution & Ethics Committee's recommendation on this proposal will be reported to Council at its meeting on 14 May for final decision

#### 4.7 Public Health Implications


There are no significant implications within this category.

Implications	Officer Clearance
<b>Have the resource implications been cleared by Finance?</b>	Yes Name of Financial Officer: Sarah Heywood
<b>Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the LGSS Head of Procurement?</b>	Yes Name of Officer: Paul White
<b>Has the impact on statutory, legal and risk implications been cleared by LGSS Law?</b>	Yes Name of Legal Officer: Fiona McMillan
<b>Have the equality and diversity implications been cleared by your Service Contact?</b>	Yes Name of Officer: Elsa Evans
<b>Have any engagement and communication implications been cleared by Communications?</b>	Yes Name of Officer: Eleanor Bell
<b>Have any localism and Local Member involvement issues been cleared by your Service Contact?</b>	Yes Name of Officer: Christine May
<b>Have any Public Health implications been cleared by Public Health</b>	Yes Name of Officer: Stuart Keeble



Source Documents	Location
<p>Cambridgeshire County Council constitution</p> <p>Minutes of Highways &amp; Community Infrastructure Committee, 12 March 2019</p> <p>Minutes of Communities &amp; Partnership Committee, 7 March 2019</p>	<p><a href="https://www.cambridgeshire.gov.uk/council/council-structure/council-s-constitution/">https://www.cambridgeshire.gov.uk/council/council-structure/council-s-constitution/</a></p> <p><a href="https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/786/Committee/7/Default.aspx">https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/786/Committee/7/Default.aspx</a></p> <p><a href="https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/848/Committee/44/Default.aspx">https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/848/Committee/44/Default.aspx</a></p> <p><a href="https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/848/Committee/44/Default.aspx">https://cambridgeshire.cmis.uk.com/ccclive/Meetings/t/abid/70/ctl/ViewMeetingPublic/mid/397/Meeting/848/Committee/44/Default.aspx</a></p>

**Extract from Constitution**

	<div> Cambridgeshire County Council </div> <div> <b>The Constitution</b>  Part 3B - Responsibility for Functions  Committees of Council  <del>Highways and Community Infrastructure</del> </div>
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**6. ~~HIGHWAYS AND COMMUNITY INFRASTRUCTURE~~ POLICY AND SERVICE COMMITTEE**

**Membership**

Ten members of the Council. The Chairman/woman and Vice-Chairman/woman of the Committee shall be appointed by Full Council.


**Summary of Functions**

Delegated authority to exercise the County Council's functions, other than those reserved to Full Council, in relation to Highways.

Delegated Authority	Delegation/ Condition
Authority for exercising all powers and implementing all strategies associated with the Council's Highways functions which are not otherwise reserved for Full Council or any other body.	
<div> Authority for exercising all functions of the Council relating to the following: <ul style="list-style-type: none"> <li><del>• Cultural Growth and Participation — Arts and Museums</del></li> <li>• Waste management</li> <li>• RECAP (Recycling in Cambridgeshire and Peterborough partnership)</li> <li>• Parking Services</li> <li>• Road, streets and paths maintenance – routine and reactive, operations and enforcement</li> <li>• Local Highway Improvement Initiative</li> <li>• Gritting, verge cutting and other routine works</li> <li>• Traffic Management systems and regulations</li> <li>• Road Safety</li> <li>• Maintaining Highways and rights of way records</li> <li>• Asset Management and information</li> <li>• Major Contracts (Highways services, waste and street lighting)</li> <li>• Cambridgeshire Guided Busway Operations</li> <li>• Park and Ride and Quality Bus Partnership</li> <li><del>• Libraries</del></li> <li><del>• Archives</del></li> <li><del>• Registration</del></li> <li><del>• Coroners and Medical Examiner Service</del></li> <li><del>• Cultural Services</del></li> </ul> </div>	

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
Authority to approve the annual Parking Operations Report	
Authority to nominate representatives to Outside Bodies other than the Combined Authority, Greater Cambridge Partnership, Cambridgeshire and Peterborough Fire Authority, the County Councils Network Council and the Local Government Association	
<p>Authority to exercise, in accordance with the relevant policies of the authority and within the budget allocated for the purpose, the powers of the County Council regarding the following issues within the County's administrative boundary.</p> <ul style="list-style-type: none"> <li>For all districts except Cambridge City, authority to determine traffic regulation orders/statutory notices where the completion of the statutory consultation process results in objections, as per the relevant Highway, Road Traffic Regulation and Traffic Management legislation, with the exception of traffic regulation orders/statutory notices sought as part of a Greater Cambridge Partnership (formerly City Deal) Infrastructure scheme as defined in the Terms of Reference for Joint Development Control Committee for Cambridge Fringes</li> <li>Authority to approve the Transport Delivery Plan</li> </ul>	Assistant Director, Highways in consultation with the Local Members for all districts, except Cambridge City.
<del>Authority to agree proposed revisions to Library Byelaws for submission to the Department for Culture, Media &amp; Sport for approval</del>	Final approval required from DCMS
<del>Authority to revise and agree the Service Delivery Policy for Libraries</del>	
<del>Authority to agree or revise a scheme for the delivery of registration services in accordance with the Registration Services Acts 1952 and 2007</del>	In consultation with the General Register Office

**Extract from Constitution**

	<p><b>Cambridgeshire County Council</b></p> <p><b>The Constitution</b> Part 3B - Responsibility for Functions Committees of Council Communities and Partnership Committee</p>
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**14. COMMUNITIES AND PARTNERSHIP POLICY AND SERVICE COMMITTEE**

**Membership**

Ten members of the Council, subject to proportionality. This will include one Member from each City/District area of the County, i.e. Cambridge City, East Cambridgeshire, Fenland, Huntingdonshire and South Cambridgeshire, to reflect the political control of the respective City/District Councils to undertake an enhanced role. These Members will be Area Community Champions. They will engage closely with their communities and be an advocate for the activity in these communities and the work of this committee and its partners. The Chairman/woman and Vice-Chairman/woman of the Committee shall be appointed by Full Council.

**Summary of Functions**

The Communities and Partnership Committee is authorised by Full Council to deliver the County Council's ambition to build stronger self-sustaining communities as expressed in its Community Resilience Strategy, and to work together with the Mayor, combined authority, district councils and other partners to design and deliver services which best meet the needs of those communities. The committee will develop plans, in this regard, with the Mayor, combined authority, district councils and other partners to deliver or jointly commission services for communities where it makes sense to do so, aligning resources and expertise around an agreed set of outcomes in order to make the most of public sector funds.

The Communities and Partnership Committee will work together with other bodies to deliver against our shared ambition to build stronger self-sustaining communities, such as those supporting Parish and Town Councils, our commissioning partners such as the Cambridgeshire and Peterborough Clinical Commissioning Group and the Cambridgeshire Peterborough Communities Network – a network of senior officers drawn from all local authorities across Cambridgeshire and Peterborough, the Office of the Police and Crime Commissioner, Cambridgeshire Fire and Rescue Service, Cambridgeshire Constabulary, Support Cambridgeshire (the Voluntary and Community Infrastructure partnership), Cambridgeshire Community Services NHS Trust and Cambridgeshire and Peterborough NHS Foundation Trust.

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
<p>Authority to deliver the Community Resilience Strategy and services working with the Mayor, the combined authority, district councils and other partners and in particular to -</p> <ul style="list-style-type: none"> <li>develop and implement joint plans with the combined</li> </ul>	<p><b>Subject to confirmation from the S.151 of the availability of sufficient</b></p>

Delegated Authority	Delegation/ Condition resources.
<p>authority, district councils and other partners for the delivery of community place based services in accordance with the agreed outcomes;</p> <ul style="list-style-type: none"> <li>in consultation with the combined authority, district councils and other partners in services within communities approve joint investment in projects, within available resources, that are designed to help manage the demand for high cost services in accordance with the agreed outcomes;</li> <li>develop and approve business case and plans to devolve services, budgets and assets, and implement subject to Council's approval of the associated business case in accordance with the agreed outcomes;</li> <li>decide on funding to be made available for community initiatives through the <del>Innovation</del> <b>Innovate and Cultivate</b> Fund.</li> </ul>	
<p>Authority to develop, with the Mayor, combined authority, district councils and other partners plans to enhance customer services, including the better use of assets in communities such as libraries and other community buildings for approval by the relevant committee(s) in the County Council.</p>	
<p>Authority to advise the County Council on opportunities to create a shared workforce or shared arrangements (such as joint ventures) to deliver services across the combined authority, district councils and other partners for approval by the relevant committee(s) in the County Council.</p>	
<p>Authority to approve the Council's Consultation Strategy and its approach to future Business Planning consultation</p>	
<p>Authority to exercise the Council's functions in respect of all areas covering the following:</p> <ul style="list-style-type: none"> <li>Adult Careers Information and Guidance</li> <li>Adult Skills including apprenticeships</li> <li>Learning Services including online</li> <li>Community Learning</li> <li><b>Libraries</b></li> <li><b>Archives</b></li> <li><b>Cultural services</b></li> <li><b>Registration service</b></li> <li><b>Coroner service</b></li> </ul>	

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
<b>Authority to agree proposed revisions to Library Byelaws for submission to the Department for Culture, Media &amp; Sport for approval</b>	<b>Final approval required from DCMS</b>
<b>Authority to agree or revise a scheme for the delivery of registration services in accordance with the Registration Services Acts 1952 and 2007</b>	<b>In consultation with the General Register Office</b>
Authority to nominate representatives to Outside Bodies other than the Combined Authority, Greater Cambridge Partnership, Cambridgeshire and Peterborough Fire Authority, the County Councils Network Council and the Local Government Association	

**UPDATE FOLLOWING PUBLICATION OF THE COMMITTEE ON STANDARDS IN PUBLIC LIFE'S REPORT ON LOCAL GOVERNMENT ETHICAL STANDARDS IN JANUARY 2019**

*To:* **Constitution and Ethics Committee**

*Meeting Date:* **4th April 2019**

*From:* **Director of Governance and Legal Services and Monitoring Officer**

*Electoral division(s):* **All**

*Purpose:* **To brief the Constitution and Ethics Committee on the recommendations within the published report and to consider what if any further action is required.**

*Recommendation:* **It is recommended that the Constitution and Ethics Committee:**

- 1. Note the recommendations contained within the Committee on Standards in Public Life ("CSPL") report on Local Government Ethical Standards; and**
- 2. Request the Monitoring Officer to revise the Members' Code of Conduct, Constitution and Guidance as necessary to bring in to effect the required changes when appropriate; and**
- 3. Determine the time at which those amendments should be made and returned for recommendation to Full Council for approval as required.**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
Name:	Fiona McMillan	Name:	Councillor Mac McGuire
Post:	Director of Governance & MO	Chairman:	Constitution and Ethics Committee
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## **1. INTRODUCTION**

- 1.1. The purpose of this report is to update the Committee following publication of the CSPL report and to obtain the views of members on the recommendations for the purpose of facilitating the initiation of any necessary revisions to the Constitution, Members' Code of Conduct and accompanying procedural and guidance documents.

## **2. BACKGROUND AND KEY ISSUES**

- 2.1 The Committee on Standards in Public Life wrote to the Prime Minister in January 2018 to inform the Government that the Committee was to undertake a review of local government standards.
- 2.2 As part of this review, the Committee held a public stakeholder consultation and has looked at the conduct and culture in local government, both at principal authority level and in town and parish councils. The consultation closed on Friday 18 May 2018 and the Committee's report was published on 31st January 2019 (link provided below).
- 2.3 The CSPL report findings indicate that the majority of councillors and officers maintain high standards of conduct and that the arrangements for local management of these matters should continue but need to be supported by robust safeguards and adequate resource. Nevertheless, it was identified that there is clear evidence of misconduct by some and mostly manifests in bullying, harassment or other disruptive behaviour. Furthermore, observations have been made about the suitability of the current rules governing declaring interests, gifts and hospitality and the availability of appropriate sanctions when breaches have occurred.
- 2.4 In recognition its findings, the CSPL has identified various points of best practice and made specific recommendations for improvement. **Appendix 1** sets out each of the key recommendations and identifies the areas where changes are most likely to be required in the context of Cambridgeshire County Council's existing arrangements. Where immediate changes can be considered these have been highlighted in italics.
- 2.5 It is recognised that many of the recommendations will require primary legislation to change parts of the Localism Act 2011 and will therefore be subject to parliamentary timetabling. Nevertheless, it is open to Councils to adopt the many best practice points with immediate effect and the CSPL has indicated their intention to review implementation in 2020.

## **3. CONSULTATION**

- 3.1 The CSPL held a public stakeholder consultation as part of its overall review and in reaching the conclusion outlined in its Report.
- 3.2 It is recommended that any proposed changes to the existing arrangements at Cambridgeshire County Council are reviewed by the Constitution and Ethics



Committee who will also be invited to consider what further member engagement may be required ahead of any recommendations being made to implement them (e.g. via Group Leaders).

#### **4 ANTICIPATED OUTCOMES OR IMPACT**

- 4.1 It is anticipated that the Constitution and Ethics Committee will note the CSPL report and the extent to which it may impact upon the existing arrangements as and when the recommendations are brought into force via primary legislation. In the meantime however it is anticipated that the Constitution and Ethics Committee will recommend that the Monitoring Officer makes any necessary revisions to implement suggested best practice where appropriate.

#### **5 REASON FOR THE RECOMMENDATION**

- 5.1 The recommendations to the Constitution and Ethics Committee are designed to enable discussion of the CSPL report and to give effect to any changes required to ensure that the existing arrangements relating to member conduct remain up-to-date and reflect nationally recognised best practice.

#### **6 ALTERNATIVE OPTIONS CONSIDERED**

- 6.1 Whilst some of the recommendations within the CSPL Report will require changes to primary legislation before they can be implemented, there are some suggestions as to best practice which can be adopted with immediate effect following appropriate member engagement. The alternative is to continue with the existing arrangements until such time that a wholesale review can take place rather than implementing changes on a piecemeal basis.

<b>Source Documents</b>	<b>Location</b>
Committee on Standards in Public Life Local Government Ethical Standards Review Report published on 30th January 2019.	<a href="https://www.gov.uk/government/publications/local-government-ethical-standards-report">https://www.gov.uk/government/publications/local-government-ethical-standards-report</a>
How to complain documentation	<a href="https://www.cambridgeshire.gov.uk/council/contact-us/complain-about-a-councillor-or-co-opted-member/">https://www.cambridgeshire.gov.uk/council/contact-us/complain-about-a-councillor-or-co-opted-member/</a>
Summary of recommendations and best practice requirements.	Appendix 1 to this Report



**Summary of CSPL Recommendations and Best Practice Indicators**

<b>CSPL Report</b>	<b>Current Practice at CCC</b>	<b>Next Steps</b>
<b>Recommendations set out at pages 14 - 17 of the Committee on Standards in Public Life report</b>		
<b>R1 The LGA should create an updated model code of conduct following consultation</b>	<p>CCC has a Member Code of Conduct devised from the previous model code.</p>	<p>The LGA has responded to the CSPL report by saying that it is “<i>happy to play a leading role in updating a code of conduct to help guide our members</i>”. Await opportunity to input on the Local Government Association’s consultation on proposed changes to the existing model code and consider what revisions to the CCC Code are required thereafter.</p>
<b>R2 Registration of Home Address</b> CSPL recommends that candidates standing for or accepting public office are not required to publicly disclose their home address.	<p>Where a Councillor considers (and the MO agrees), the the nature of a DPI or other interest is such that disclosure of the details of the interest could lead to the Councillor or a person connected with them being subject to intimidation or violence, it is a “sensitive interest” and the details of the sensitive interest do not need to be included in the register or disclosed to a meeting, although the fact that a sensitive interest exists must be disclosed.</p>	<p>The Government has already made legislative amendments to address the CSPL concerns.</p> <p>All candidates in local government elections in England are now able to request that their home address is not made public. Candidates will have a choice – they can continue to include a home address if they wish to highlight their local connection to their ward. In addition, candidates will in future provide their ‘qualifying address’ address separately.</p> <p>The Statutory Instruments making these amendments and their explanatory memorandums setting out detail and policy background can be found here:  <a href="https://www.legislation.gov.uk/uksi/2018/1308/contents/made">https://www.legislation.gov.uk/uksi/2018/1308/contents/made</a></p> <p>The Local Elections (Parishes and Communities) (England and Wales) (Amendment) (England) Rules</p>

		2018 <a href="https://www.legislation.gov.uk/ukxi/2018/1309/content/made">https://www.legislation.gov.uk/ukxi/2018/1309/content/made</a>
<b>R3 Presumption of acting in official capacity in relation to public conduct/social media.</b> CSPL recommends that councillors should be presumed to be acting in an official capacity in all their public conduct including statements and social media (which is publicly accessible).	The Monitoring Officer and Independent Person, when undertaking an initial assessment of a complaint, will always consider whether the allegations relate to actions occurring whilst the subject member was acting in their official capacity. At the moment there is no presumption of acting in official capacity - it is a judgement based on the facts of each complaint.	Await legislative amendments to section 27(2) of the Localism Act 2011 permitting local authorities to presume that a Councillor is acting in their official capacity when deciding upon breaches relating to their public conduct to include statements on publicly accessible social media. <i>In the meantime, The Constitution &amp; Ethics Committee is recommended to consider adopting a Code relating to the use of social media by members that is cross-referred to in the Code of Conduct.</i>
<b>R4. Application of code when acting/claiming to act in official capacity or representative of CCC.</b>	As above.	Await legislative amendments to Section 27(2) of the Localism Act 2011 confirming that the code of conduct applies to a Councillor when they claim to act, or give the impression they are acting, in their capacity as a member or as a representative of the local authority.
<b>R5. Disclosable Pecuniary Interests.</b> CSPL recommends that the DPI regulations are amended to include the following as DPIs: unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy.	Currently an interest will only amount to a DPI if it relates to any employment, office, trade, profession or vocation carried on for profit or gain. Guidance has recently been issued to all members entitled: <i>"Guidance for Members and Officers who Serve on Outside Bodies."</i>	Await legislative amendments to the Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 to include: the following as DPIs; unpaid directorships; trusteeships; management roles in a charity or a body of a public nature; and membership of any organisations that seek to influence opinion or public policy.
<b>R6. Gifts &amp; Hospitality</b> CSPL recommends that councils establish a register with councillors	CCC already holds a register for this purpose and the council's code of conduct requires councillors to declare any gift or hospitality with an estimated value of more	Await the updated model code of conduct and consider what if any changes are required.

<p>recording any gifts and hospitality received with a value of £50 or totalling £100 a year from a single source</p>	<p>than £25, which already covers more than is being proposed.</p>	
<p><b>R7. Non-Statutory Interests</b> CSPL recommends that s31 of the Localism Act should be repealed and replaced with a requirement that councils include in their code of conduct that a councillor must not participate in a discussion or vote in a matter to be considered at a meeting if they have any interest, whether registered or not, <i>“if a member of the public, with knowledge of the relevant facts, would reasonably regard the interest as so significant that it is likely to prejudice your consideration or decision-making in relation to that matter.”</i></p>	<p>CCC’s Code of Conduct already includes a section on ‘Non-Statutory Disclosable Interests’ and requires action to be taken where these exist:</p> <p>“ A “non-statutory disclosable interest” in an item of business of your authority where:</p> <ul style="list-style-type: none"> <li>i) a decision in relation to that business might reasonably be regarded as affecting the well-being or financial standing of you or a member of your family or a person with whom you have a close association to a greater extent than it would affect the majority of the Council Tax payers, ratepayers or inhabitants of the division or electoral area for which you have been elected or otherwise of the authority’s administrative area, or</li> <li>ii) ii) it relates to or is likely to affect any of the interests listed in the Table in the Appendix A to this Code, but in respect of a member of your family (other than a “relevant person”) or a person with whom you have a close association and that interest is not a disclosable pecuniary interest.</li> </ul> <p>If you attend a meeting and are aware that you have a ‘Non Statutory Disclosable Interest in any matter to be considered, or being considered, at that meeting:</p> <ul style="list-style-type: none"> <li>(a) If the interest is not entered in the Authority’s register of members’ interests, you must, subject to sub-paragraph 9 above, disclose to the meeting the fact that you have a Non-Statutory Disclosable Interest in that matter, and</li> <li>(b) If 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</li> </ul>	<p>Await potential amendments to;/repeal of Section 31 of the Localism Act 2011 and consider this against the existing requirements of CCC’s Code.</p>

	<p>judgement of the public interest, you must not:</p> <p>(i) participate, or participate further, in any discussion of the matter at the meeting; or</p> <p>(ii) remain in the meeting room whilst the matter is being debated or participate in any vote taken on the matter at the meeting;</p> <p>apart from making representations, giving evidence or answering questions, prior to the commencement of the debate on that matter.”</p>	
<p><b>R8. Appointment of Independent Persons.</b></p> <p>CSPL recommends that the Localism Act 2011 should be amended to require that Independent Persons are appointed for a fixed terms of two years, renewable once.</p>	<p>There is currently no limit on the term of office of the Independent Person.</p>	<p>Await amendments to the Localism Act 2011 to require that Independent Persons are appointed for a fixed term of two years, renewable once.</p>
<p><b>R9. Recording the view of the Independent Person.</b></p> <p>CSPL recommends that the Local Government Transparency Code be updated to provide that the view of the Independent Person in relation to a decision on which they are consulted be formally recorded in any decision notice or minutes.</p>	<p>CCC currently publishes a decision notice in relation to all concluded conduct matters within which the views of the Independent Person are recorded. Equally the Independent Person has a specific role to play within the context of a Conduct Hearing to include the option of submitting a written report recording their views which, when expressed verbally are also included in the official minute.</p>	<p>Await updates to the Local Government Transparency Code and consider this against existing requirements.</p>
<p><b>R10. Requirements relating to suspension.</b></p> <p>CSPL recommends that a local authority should only be able to suspend a councillor whether the authority's Independent Person agrees both with the finding of a breach and that suspending the councillor would be a proportionate sanction</p>	<p>Currently suspension is not a sanction legally available to the Hearing Sub-Committee (a sub-committee of the CCC Constitution and Ethics Committee).</p>	<p>Await confirmation of reintroduction of suspension as a sanction and revise the CCC Hearings Procedure accordingly.</p>

<p><b>R11. Indemnity for Independent Persons.</b> CSPL recommends that councils should provide a legal indemnity to Independent Persons if their views or advice are disclosed - this should be achieved through secondary legislation if required.</p>	<p>Currently there are no specific indemnities for the Independent Person.</p>	<p><i>The Monitoring Officer should consider what if any indemnities can be provided to the Independent Person under current legislation.</i></p>
<p><b>R12. Voting Rights.</b> CSPL recommends that local authorities should be given the discretionary power to establish a decision-making standards committee with voting independent members and voting members from dependent parishes to decide on allegations and impose sanctions.</p>	<p>Currently whilst the Independent Person is able to attend and speak at meetings of the Hearings Sub-Committee they do not have voting rights and parish councils are not involved in the decision making process as CCC is not responsible for parish councillor conduct in Cambridgeshire.</p>	<p>Await legislating permitting the Independent Person to have the same rights as members of the Hearings Sub-Committee to vote and impose sanctions.</p>
<p><b>R13. Right of Appeal.</b> CSPL recommends that councillors should be given the right to appeal to the Local Government Ombudsman ("LGO") if their local authority imposes a period of suspension for breach the code of conduct.</p>	<p>There is currently no right of appeal in relation to the decision of the Hearings Sub-Committee and the LGO will only involve itself in complaints relating to member conduct in exceptional circumstances.</p>	<p>Await confirmation of legislative amendments and confirmation of the requirement to introduce a right of appeal to the LGO for a Councillor who is sanctioned with suspension.</p>
<p><b>R14. Local Government Ombudsman.</b> CSPL recommends that the LGO should be given the power to investigate and decide upon an allegation of a code of conduct breach by a councillor, and the appropriate sanction, on appeal by a councillor who has had a suspension imposed. The LGO decision would be binding on the authority.</p>	<p>As above.</p>	<p>Await confirm of the Local Government Ombudsman's role in responding to appeals (as above).</p>

<b>R15 Publication of Conduct Complaints.</b> CSPL recommends that the Local Government Transparency Code should be updated to require councils to publish annually the number of code of conduct complaints they receive; what the complaints broadly relate to (eg bullying, conflict of interest); the outcome of those complaints (including if they are rejected as trivial or vexatious; and any sanctions applied.	Once a conduct complaint has been completed a summary of the facts and decision is published on Constitution & Ethics Committee's webpage on the CCC website. The Constitution and Ethics Committee also receives regular updates on on-going code of conduct complaints which are published.	Await amendments to the Local Government Transparency Code and consider this against existing practices.
<b>R16 Suspension.</b> CSPL recommends that local authorities should be given the power to suspend councillors, without allowances, for up to six months.	Currently suspension is not a sanction legally available to the Hearings Sub-Committee (Sub-Committee of the Constitution and Ethics Committee).	Await confirmation of proposals relating to the reintroduction of suspension as a sanction and amend the Hearings Procedure as appropriate.
<b>R17 Other Sanctions</b> CSPL recommends that the government should clarify if councils may lawfully bar councillors from council premises or withdraw facilities as sanctions and these powers should be put beyond doubt in legislation if necessary.	It is generally accepted that permissible common law sanctions include the withdrawal of council facilities and/or barring entry to Council premises where the circumstances of the breach dictate that this is a necessary and proportionate response - however there is no statutory basis for this.	Await confirmation/clarification of the sanctions available to the Hearings Sub-Committee and amend the Hearings Procedure as appropriate.
<b>R18 Criminal Offences</b> CSPL recommend that the current criminal offences in the Localism Act 2011 relating to disclosable pecuniary interests should be abolished.	Failing to comply with statutory requirements relating to the disclosure of disclosable pecuniary interests is currently a criminal offence.	Await amendments to the Localism Act 2011 and amend the Code of Conduct as appropriate.
<b>R19 - Parish Clerks</b>	N/A as CCC is not responsible for councillor	N/A



CSPL recommends that all parish clerks should hold an appropriate qualification, such as those provided by the Society of Local Council Clerks.	conduct/governance at parish councils in Cambridgeshire (this is a district council function).	
<b>R20 - Parish Council Codes of Conduct</b> CSPL recommends that s27(3) of the Localism Act 2011 should be amended to state that parish councils must adopt the code of conduct of their principal authority, with the necessary amendments, or the new LGA model code.	N/A as CCC is not responsible for councillor conduct/governance at parish councils in Cambridgeshire (this is a district council function).	N/A
<b>R21 - Sanctioning Parish Councillors</b> CSPL recommends that s28(11) of the Localism Act 2011 should be amended to state that any sanction imposed on a parish councillor following the finding of a breach is to be determined by the relevant principal authority.	N/A as CCC is not responsible for councillor conduct/governance at parish councils in Cambridgeshire (this is a district council function).	N/A
<b>R22 - Disciplinary Protection</b> CSPL recommends that the Local Authorities (Standing Orders) England) (Amendment) Regulations 2015 should be amended to provide that disciplinary protections for statutory officers extend to all disciplinary action, not just dismissal.	The Council currently abides by the 2015 Regulations as well as nationally negotiated terms and conditions.	Await amendments to the Local Authorities (Standing Orders) (England) (Amendment) Regulations 2015 and ensure that this is appropriately recorded in the Officer Employment Rules.
<b>R23 - Whistleblowing Policy</b> CSPL recommends that the Local Government Transparency Code is updated to provide that local	The Council has a Whistleblowing Policy, recently reviewed by the Audit & Accounts Committee, which specifies the steps that staff and/or members of the public can take if they wish to raise a concern and who to	Await amendments to the Local Government Transparency Code requiring that the Council's whistleblowing policy specifies a named contact for the external auditor alongside their contact details

authorities must ensure that their whistleblowing policy specifies a named contact for the external auditor alongside their contact details, which should be available on the authority's website.	contact – this includes named contacts for the internal auditor and contact details but not the external auditor. The policy is published on the council's website.	and then ask Audit & Accounts Committee to update the CCC policy.
<b>R24 - Prescribed Persons</b> CSPL recommends that councillors should be listed as “prescribed persons” for the purposes of the Public Interest Disclosure Act 1998.	Currently councillors are not listed as ‘prescribed persons’ within the Act.	Await amendments to the Public Interest Disclosure Act 1998 to include Councillors as ‘prescribed persons’ within the list.
<b>R25 - Induction Training</b> CSPL recommends that councillors should be required to attend formal induction training by their political groups. National parties should add such a requirement to their model group rules.	CCC currently provides induction and refresher training as appropriate. There is however currently no means of compelling attendance save in respect of certain Committees where training is a prescribed requirement.	Await changes to national model group rules and support from political groups in respect of the recommendation that Councillors should be required to attend formal induction training. <i>In the meantime Monitoring Officer to propose amendment to Member Officer Protocol stating that Group Leaders should ensure their new members attend induction training – report to Constitution &amp; Ethics Committee April 2019 meeting.</i>
<b>R26 - Peer Reviews</b> CSPL recommends that the LGA corporate peer reviews should also include consideration of a local authority's processes for maintaining ethical standards.	CCC currently seeks opportunities to review best practice amongst peers via the establishment of a Monitoring Officer Group for the region, hosted by CCC/PCC Monitoring Officer.	Await changes to the scope of the Local Government Association's corporate peer reviews to include consideration of a local authority's processes for maintaining ethical standards.
<b><i>Best Practice Proposals at Pages 18 - 19 of the Commission's Report</i></b>		
<b>BP1 - Prohibition on bullying and harassment to be included in Codes of Conduct including a definition and examples.</b>	The CCC Code of Conduct already contains a specific prohibition on bullying and intimidation.	<i>Monitoring Officer to review and propose amendments to the Code of Conduct as required.</i>
<b>BP2 - Codes of Conduct to specify that Councillors must comply with</b>	CCC's Guidance for submitting a complaint permits the Monitoring Officer to reject a complaint if it is considered	<i>Monitoring Officer to review and propose amendments to the Code of Conduct as required.</i>

<b>formal standards investigations and to prohibit trivial/malicious allegations by Councillors.</b>	to be politically motivated, vexatious or tit for tat and consideration is also given to whether the complaint is “serious”. There is no specific requirement for Councillors to comply with the Hearings Procedure or Guidance for Submitting a Complaint however it is an expectation that they do so both in general compliance with the Code and so as not to prejudice their case.	
<b>BP3 Councils should review their Code of Conduct annually and regularly seek the views of the public, community organisations and neighbouring authorities.</b>	Currently the Monitoring Officer has a duty under the Council’s constitution to regularly review the Council’s constitution, which includes the Code of Conduct. The Constitution and Ethics Committee has oversight of the Code and all proposed amendments must be agreed by Full Council. There is no formal consultation at the moment.	<i>Monitoring Officer to review and propose amendments to the Code of Conduct as required.</i>
<b>BP4 Accessibility of the code of conduct to both councillors and the public - should be in a prominent position on the council’s website and available in the council’s premises.</b>	All of the documentation relating to the Code of Conduct and management of alleged breaches can be found on the Council’s website together with the terms of reference and membership of the Constitution and Ethics Committee and the outcomes of previous complaints.	<i>Monitoring Officer to ensure that the relevant page of the Council’s website remains up-to-date and to liaise with the communications team to ensure that it can be accessed via all potentially relevant search terms.</i>
<b>BP5 Gifts &amp; Hospitality - councils should update their gifts and hospitality register at least once per quarter and publish it in an accessible format.</b>	CCC maintains a gifts and hospitality register however it is not currently published.	<i>Monitoring Officer to review the register of gifts and hospitality to ensure that it is being kept up-to-date and adequately publicised and to consider any communications that may be required to ensure ongoing compliance.</i>
<b>BP6 Public Interest Test - councils should publish a clear and straightforward public interest test against which allegations are filtered.</b>	CCC’s Guidance for submitting a complaint sets out the criteria against which complaints will be considered and the basis upon which they will be rejected to take into account factors such as delay and overall seriousness as well as the possibility of an alternative resolution. There is currently no specific definition of “public interest”.	<i>Monitoring Officer to review and propose amendments to the procedure for assessing Code of Conduct complaints as required.</i>
<b>BP7 - Independent Persons - councils should have access to at least two Independent Persons.</b>	CCC currently has 1 Independent Person following the resignation of the second independent person.	<i>Monitoring Officer to review the current arrangements and make recommendations to the Constitution and Ethics Committee on appointing a second IP and/or the potential for sharing IPs between sufficiently</i>

		<i>proximate authorities.</i>
<b>BP8 - IP's Involvement in Initial Assessment of Complaint. An Independent Person should be consulted as to whether to undertake a formal investigation of an allegation and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious and trivial.</b>	CCC's Guidance for submitting a complaint provides that the Monitoring Officer will consult the Independent Person when deciding whether or not to refer a complaint for investigation. This currently happens in all cases.	<i>Monitoring Officer to review and propose amendments to the Code of Conduct as required.</i>
<b>BP9 - Publication of Decision Notices. A council should publish a decision notice on its website where it makes a decision on an allegation of misconduct following a formal investigation. This should include a brief statement of facts, the relevant provisions of the code, the view of the Independent person, the reasoning of the decision-maker and any sanction applied.</b>	CCC already publishes decision notices in relation to all concluded conduct complaints on its website.	N/A
<b>BP10 - Guidance on Making a Complaint -A council should put accessible and straightforward guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.</b>	CPCC already publishes guidance on making a complaint on its website.	<i>Monitoring Officer to review the existing Guidance to ensure that it includes all of the recommended information as appropriate.</i>
<b>BP11 - Complaints by Parish</b>	N/A as CCC is not responsible for councillor	N/A

<b>Clerks about the conduct of a parish councillor towards a clerk should be made by the chair or the parish council as a whole rather than the clerk in all but exceptional circumstances.</b>	conduct/governance at parish councils in Cambridgeshire (this is a district council function).	
<b>BP12 - Role of the MO in relation to Parish Councils. The MO should provide advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.</b>	N/A as CCC is not responsible for councillor conduct/governance at parish councils in Cambridgeshire (this is a district council function).	N/A
<b>BP13 - Conflicts of Interest. The council should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps include asking a MO from another council to undertake the investigation.</b>	The Monitoring Officer has a nominated deputy who is able to assist in circumstances where a conflict arises as well as having established a Monitoring Officer Group for the region through which the opportunities for resilience can continue to be explored, although resource issues usually exist.	<i>Monitoring Officer to ensure that appropriate arrangements are in place for dealing with a complaint where a conflict of interest arises.</i>
<b>BP14 - Outside Bodies. - Councils should report on outside bodies which they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by councils should abide by the Nolan Principle of openness and publish their board agendas and minutes and annual</b>	The CCC Constitution and Ethics Committee has recently reviewed this area and a report is to be made to Annual Council on all Outside Bodies which sets out the relationship with those bodies.	<i>Monitoring Officer to review alongside internal audit.</i>

reports in an accessible place.		
<b>BP15 - Member Engagement. - Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.</b>	It is recognised that member engagement is important to the development of and compliance with appropriate procedures for managing breaches of the Code. The Constitution and Ethics Committee provides an ideal forum for this and the council's Group Leaders meetings with the Chief Executive and Monitoring Officer allow an alternative forum for discussion on conduct issues.	<i>Monitoring Officer to review existing arrangements with the Constitution and Ethics Committee in order to consider what if any further arrangements for engagement can be put in place.</i>

**ARRANGEMENTS FOR THE APPOINTMENT OF INDEPENDENT PERSON(S)**

**To:** Constitution and Ethics Committee

**Meeting Date:** 4 April 2019

**From:** Director of Governance and Legal Services and  
Monitoring Officer

**Electoral division(s):** All

**Purpose:** To consider what arrangements for the appointment of an Independent Person or Persons should be recommended to Council in preparation for the expiry of the current appointments on 30 October 2019.

**Recommendation:** That the Committee recommends to Council that

- (a) Council authorise the Monitoring Officer, in consultation with the Chairman/woman of the Constitution and Ethics Committee, to take all necessary steps towards the selection of suitable candidates to be recommended to Full Council for appointment as an Independent Person**
- (b) Council set the level of remuneration for each independent person so that it can be included in information supplied to applicants for the post of independent person**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
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## **1. BACKGROUND**

### **1.1 Legal framework**

- 1.1.1 Chapter 7 of the Localism Act 2011 sets out the duty of a local authority to promote and maintain high standards of conduct by members and co-opted members of the authority.
- 1.1.2 Section 28 of the Act, on codes of conduct, requires an authority to provide for the appointment of at least one independent person whose views will be sought and taken into account in connection with the process for dealing with allegations that members have breached the code.
- 1.1.3 Section 28 sets out those persons who would not be considered to be independent, who include members, co-opted members and officers of the authority and their relatives and close friends. However, it provides that the person(s) appointed do not cease to be independent as a result of being paid allowances or expenses for performing the duties of the appointment.
- 1.1.4 Section 28 also sets out the conditions for the process of appointing such persons. These conditions are that
- i. the vacancy has been advertised in such manner as the authority considers is likely to bring it to the attention of the public,
  - ii. the person has submitted an application to fill the vacancy to the authority, and
  - iii. the person's appointment has been approved by a majority of the members of the authority.
- 1.1.5 The requirements of the role of the independent person were added to by the Local Authorities (Standing Orders) (England) Regulations 2015, which changed the requirements relating to disciplinary action or dismissal of one of the specified chief officers and removes the requirement to procure a report from a designated independent person.
- 1.1.6 The Council is now required to have a procedure which instead provides:
- (a) that the appointment of the Head of the Paid Service must be approved by a resolution of full council;
  - (b) a new process for dismissal of the Head of the Paid Service, Section 151 Officer or Monitoring Officer, who can now only be dismissed with the approval of a resolution of full Council;
  - (c) that when considering any such dismissal, full Council must consider the advice, view or recommendations of a panel;
  - (d) the panel must be an advisory committee (ie a committee without decision making powers) and the membership of the Panel must include at least two 'independent persons';
  - (e) the Council must appoint 'independent persons' to the panel. The only people who qualify are people who have been appointed by the Council (or another



council) for the purposes of advising in cases relating to the member code of conduct.

- (f) In selecting independent persons the Council is required to prioritise Cambridgeshire County Council appointed 'independent persons' who are local government electors in Cambridgeshire. If for any reason the Council's appointed 'independent persons' are unable to attend then it is entitled to use independent persons appointed by another local authority.

## **1.2 Local implementation**

- 1.2.1 At an early stage of making arrangements to implement the Localism Act 2011, the Standards Committee concluded that it would be sensible to appoint two independent persons, in case one was not available, or already had prior knowledge of a complaint or the parties to the complaint. Full Council in July 2012 authorised 'the Monitoring Officer, in consultation with the Chairman of the Constitution and Ethics Committee, to take all necessary steps towards the selection of a suitable candidate to be recommended to Full Council for appointment as an 'Independent Person'.
- 1.2.2 A panel composed of members of the Constitution and Ethics Committee conducted the recruitment exercise, advertising the posts in the local press and on the Council's website, shortlisting applications, and interviewing shortlisted candidates. The panel recommended to Constitution and Ethics Committee in September 2012 that Sean Brady and Gillian Holmes be appointed, and the Committee recommended their appointment to Council.
- 1.2.3 On 16 October 2012, Full Council agreed to appoint Sean Brady and Gillian Holmes to the role of Independent Person for Cambridgeshire County Council with immediate effect for a period of one year, and to delegate to the Constitution and Ethics Committee the power to extend these appointments for up to a further three years thereafter. The Committee exercised that power on 7 November 2013, extending the appointments to 15 October 2016, and on 19 April 2016 extending the appointments to 30 October 2019.
- 1.2.4 Because independent persons are not members or co-opted members of Council, their remuneration falls outside the Members' Allowances Scheme, and can be determined without reference to an Independent Remuneration Panel. The current independent persons receive an annual allowance of £500 each.
- 1.2.5 The 2012 recruitment exercise was conducted jointly with the Cambridgeshire and Peterborough Fire Authority, who also appointed Sean Brady and Gillian Holmes to the role of Independent Person in October 2012.
- 1.2.6 The Constitution and Ethics Committee considered, at its meeting on 19 April 2016, what arrangements for the appointment of an Independent Person or Persons should be recommended to Council in preparation for the expiry of the current appointments on 15 October 2016. At that meeting, it agreed to recommend to Council to extend the current appointment of Sean Brady and Gillian Holmes as Independent Persons to 30 October 2019, and that the level of remuneration to each independent person remain at £500 a year plus expenses.
- 1.2.7 Sean Brady resigned from the position of Independent Person on 11 October 2017.

## **Local Government Ethical Standards: A Review by the Committee on Standards in Public Life**

- 1.2.8 The Committee on Standards in Public Life published its report on Local Government Ethical Standards in January 2019. Chapter 3: Investigations and safeguards covers the role of the Independent Person.
- 1.2.9 It is recommending, as best practice, that local authorities should have access to at least two Independent Persons. It is also recommending that the role should be formalised. An Independent Person needs not just to be independent according to the requirements of the Localism Act 2011 but should also show an ability to:
- offer authoritative and impartial advice
  - maintain independent in a politically sensitive environment
  - gain the confidence of councillors, officers and the public
  - make decision on an impartial basis, grounded in the evidence
  - work constructively with the local authority and senior officers
- 1.2.10 The Review highlights the importance of security of tenure in order to protect Independent Persons from being removed from their role for unpopular advice or recommendations. Equally, however, restricted tenure can ensure that the Independent Person's judgement and independence is not compromised by a long period of involvement in a single authority. The Review recommends that the Localism Act 2011 should be amended to require that Independent Persons are appointed for a fixed term of two years, renewable once.
- 1.2.11 The Review also recommend that if the government made legislative changes to incorporate more serious sanctions for breaches of the code of conduct that the Independent Person should play a key role in considering whether suspension of a councillor was appropriate. Recommendation 10 of the Review report states: "A local authority should only be able to suspend a councillor where the authority's Independent Person agrees both with the finding of a breach and that suspending the councillor would be a proportionate sanction." Recommendation 11 of the report recommends that "Local authorities should provide legal indemnity to Independent Persons if their views or advice are disclosed" following a request under the Freedom of Information Act.

## **2. CURRENT ISSUES**

- 2.1 Arrangements are needed for Full Council to appoint one or more independent persons beyond 30 October 2019. The remuneration of these appointees must also be agreed.
- 2.2 In addition to a flat annual fee of £500, the current independent persons have their travelling and other expenses reimbursed whenever they are required to conduct Council business. In view of the pressure on Council budgets and the low level of public sector pay increases, the Committee may take the view that there should be no change to this level of remuneration. Alternatively the Committee may take the view that in light of the increased responsibility of the independent persons in relation to disciplinary action/dismissal of chief officers procedures it would be appropriate to recognise this by increasing the annual fee.
- 2.3 Authority for agreeing all aspects of the appointment and remuneration of independent persons rests with Full Council. The Committee may wish to consider whether to

recommend to Council that any elements of the arrangements be delegated to the Constitution and Ethics Committee on a standing basis. Responsibility for appointing the independent person(s) rests with Council and cannot be delegated.

2.4 The present terms of reference for the Committee are attached as **Appendix A**.

### **3. TIMELINE**

3.1 Full Council meets on 14 May, 23 July and 15 October 2019. It is suggested that the recommendations of this report be presented to Council in May, if appropriate, and the recommended names for appointment be presented to Council in October.

<b>Source Documents</b>	<b>Location</b>
Chapter 7 of the Localism Act 2011	<a href="http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/7">http://www.legislation.gov.uk/ukpga/2011/20/part/1/chapter/7</a>
Local Government Ethical Standards – A Review by the Committee on Standards in Public Life	<a href="https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life">https://www.gov.uk/government/organisations/the-committee-on-standards-in-public-life</a>

Extract from Constitution

## **8. CONSTITUTION AND ETHICS COMMITTEE**

### **Membership**

Eight members of the Council, including the Vice-Chairman/woman of Council, who shall chair the Committee. The Vice-Chairman/woman of the Committee shall be elected by the Committee.

### **Hearings Sub-Committees**

The Monitoring Officer in consultation with the Chairman/woman of Constitution and Ethics Committee shall appoint, as and when necessary, Hearings Sub-Committees to consider and determine complaints against County Councillors alleging that they have breached the Members' Code of Conduct.

Hearings Sub-Committees shall comprise three members of the Constitution and Ethics Committee including either the Chairman/woman or Vice-Chairman/woman. The membership of the committee shall, as far as practicable, be politically proportionate.

<b>Delegated Authority</b>	<b>Delegation/ Condition</b>
Authority to oversee the operation of the Council's Constitution and authority to make recommendations to Full Council as to amendments and improvements to the Council's Constitution, including the codes and protocols	Subject to the receipt and consideration of a report prepared by the Monitoring Officer
Authority to hear and determine complaints against members alleging breaches of the Members' Code of Conduct	Delegated to Hearings Sub-Committee
Authority to issue a sanction against a member found to be in breach	Delegated to Hearings Sub-Committee
Authority to oversee and approve the operation of the Council's functions relating to the promotion and maintenance of high standards of conduct amongst members and co-opted members of the County Council including: <ul style="list-style-type: none"> <li>• Approving and issuing guidance to Members</li> <li>• Making recommendations to Full Council regarding the suggested amendment of the Members' Code of Conduct</li> <li>• Approving training to be provided to members in the Code of Conduct</li> <li>• Monitoring the operation of the Code of Conduct</li> </ul>	
Authority to approve the granting, to any County Council employee, of a dispensation in relation to disqualification from political activities	Local Government and Housing Act 1989
Authority to select and to appoint persons as members of the County Council's Independent Remuneration Panel	

Delegated Authority	Delegation/ Condition
Authority to receive and approve proposals regarding the Council's exercise of powers covered by the Regulation of Investigatory Powers Act	
Authority to issue dispensations to any member in respect of statutory and non-statutory disclosable interests	Delegated to Monitoring Officer



**CHAIRMEN/WOMEN AND VICE-CHAIRMEN/WOMEN OF COMMITTEES**

**To:** Constitution and Ethics Committee

**Meeting Date:** 4th April 2019

**From:** Director of Governance and Legal Services and  
Monitoring Officer

**Purpose:** To consider proposed changes to the Constitution regarding the appointment and removal of the Chairmen/women and Vice-Chairmen/women of Committees.

**Recommendation:** The Constitution and Ethics Committee is asked to consider amendments to the Constitution, as set out in Appendices 1 to 6, and recommend any changes to full Council, if appropriate:

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## **1. BACKGROUND**

- 1.1 Part 2 – Articles, Article 7 – The Leader, Chairmen/women and Vice-Chairmen/women of Committees and Lead Members, states the following:

### **“7.04 Chairmen/women and Vice-Chairmen/women of Committees**

The Council shall appoint at each Annual Meeting of the Council:

- (i) the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee which roles shall include the role of Council Leader and Deputy Council Leader of the Council respectively
- (ii) the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees.
- (iii) the Chairman/woman of the Health and Wellbeing Board.

The Chairmen/women and Vice Chairman/women shall remain in office until the start of the Annual Meeting following their appointment.”

- 1.2 Part 3A – Responsibility for Functions, Allocation of Responsibility for Functions – Full Council and Committees, states the following:

### **“2. Council Functions**

Only the Council will exercise the following functions

- (f) Appointing the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees, and the Chairman/woman of the Health and Wellbeing Board.
- (g) Appointing the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee, who will also fulfil the respective roles of Leader and Deputy Leader of the Council”

- 1.3 Part 4 – Rules of Procedure, Part 4.1 – Council Procedure Rules, states the following:

### **Selection of Councillors on Committees and Outside Bodies**

“At the annual meeting, the Council will:

- (iv) Appoint the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee who will also fulfil the role of Leader and Deputy Leader of the Council respectively.
- (v) Appoint the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees.
- (vi) Appoint the Chairman/woman of the Cambridgeshire Health and Wellbeing Board.”



## 2. PROPOSED CHANGES TO CONSTITUTION

- 2.1 The Committee may wish to consider whether Council should appoint the Chairmen/women of Committees where a special responsibility allowance is payable at each Annual Meeting. This will cover the following committees:

Audit and Accounts Committee  
Pension Fund Committee  
Planning Committee

At the moment, the Chairmen/women of these committees are elected by the relevant committees.

- 2.2 The Committee may also wish to consider that Council should have the power to remove the Chairmen/women of Committees where it has the power to appoint to these committees.
- 2.3 The Localism Act 2011 removed the ability for councillors to be suspended or disqualified (except for the statutory disqualification requirements). The Constitution has therefore been amended to remove this reference.
- 2.4 If the Constitution and Ethics Committee is minded to recommend such changes to Council, and if approved, the extracts set out in **Appendices 1 to 6** of this report will need to be amended accordingly (*see bold for additions and strikethrough for deletions*).

Source Documents	Location
Council's Constitution	<a href="http://tinyurl.com/Constitution-CCC">http://tinyurl.com/Constitution-CCC</a>





**Appendix 1**

**ARTICLE 7 – THE COUNCIL LEADER, CHAIRMEN/WOMEN AND VICE-CHAIRMEN/WOMEN OF COMMITTEES AND LEAD MEMBERS**

**7.01 Council Leader**

The Chairman/woman of the General Purposes Committee shall be, ex-officio, Council Leader and shall hold office unless and until:

- ~~(a) He/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension); or~~
- ~~(b) He/she ceases to be Chairman/woman of the General Purposes Committee.~~

**7.02 Role of the Council's Leader**

The role of the Council's Leader is to:

- Provide a focal point for political leadership and strategic direction for the Council
- Represent the interests of the Council in circumstances where that is necessary.

The duties and responsibilities are to:

- Ensure effective decision making, including working with all political groups to seek to achieve, where possible, cross party co-operation
- Be the key contact for outside organisations (including Central Government, Local Authority Associations and Council partners), and internally for the Council's Strategic Management Team (SMT) or Corporate Leadership Team (CLT)
- Be the representative voice of the Council, for example, in its dealings with Central Government, other Local Authorities and their Associations, and positively promote the Council within the media
- Promote the long-term financial, business and economic stability of the Council.



### 7.03 **Deputy Council Leader**

The Deputy Council Leader will assume the full powers of the Council Leader in any circumstances in which the Council Leader is unable to act. The Deputy Council Leader will also act as Council Leader if the Council Leader is unavailable. The Vice-Chairman/woman of General Purposes Committee shall be, ex-officio, Deputy Council Leader and shall hold office unless and until:

- ~~(a) He/she is suspended from being a Councillor under Part III of the Local Government Act 2000 (although he/she may resume office at the end of the period of suspension); or~~
- ~~(b) h~~He/she ceases to be Vice-Chairman/woman of the General Purposes Committee.

### 7.04 **Chairmen/women and Vice-Chairmen/women of Committees**

The Council shall appoint at each Annual Meeting of the Council:

- (i) the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee which roles shall include the role of Council Leader and Deputy Council Leader of the Council respectively
- (ii) the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees.
- (iii) the Chairman/woman of the Health and Wellbeing Board.
- (iv) the Chairman/woman and Vice-Chairman/woman of the Audit and Accounts Committee, Pension Fund Committee and Planning Committee.**

The Chairmen/women and Vice Chairman/women shall remain in office until the start of the Annual Meeting following their appointment **unless a resolution is proposed at full Council to remove him/her.**



## 7.05 **Lead Members**

Each of the Council's political groups may designate one of their group members as lead member for each policy and service committee.

The Chief Executive, Executive Directors, and Directors shall hold briefing meetings with their relevant policy and service committee Chairman/woman and Vice-Chairman/woman to plan the agenda for future service committee meetings and consider any other issues the officer may think appropriate. They will also hold one briefing meeting with all opposition lead members to brief them on the agenda for future service committee meetings and consider any other issues the officer may think appropriate. All these meetings will be confidential subject to any relevant legal requirements to the contrary.

Lead members shall also be entitled to individual private and confidential briefings from Executive Directors, Directors, Service Directors, and LGSS Directors on any relevant policy matter within the remit of that Director. Information shall be provided at these briefings on a confidential basis in accordance with the Guidance on Confidentiality attached to the Members' Code of Conduct. Requests for such briefings must be reasonable in extent and number, as determined by the Chief Executive in consultation with the relevant Group Leader, in accordance with paragraph 7.9 of the Protocol on Member/Officer Relations in Part 5 of the Constitution, and will only be considered for items not covered by a briefing meeting.





**Appendix 2**

***Extract of Constitution***

**PART 3A – ALLOCATION OF RESPONSIBILITY FOR FUNCTIONS – FULL COUNCIL AND COMMITTEES**

**1. Introduction**

This Part of the Constitution deals with the allocation of responsibility for undertaking the functions of the Council. Full Council is the primary decision-making body of the Council and as such is responsible for the exercise of all the functions that are the responsibility of the local authority.

However, in order to operate more effectively as an organisation, Full Council delegates many of its decision-making powers to committees, to officers, and to other local authorities.

**2. Council Functions**

Only the Council will exercise the following functions:

- (a) Adopting and changing the Constitution
- (b) Approving or adopting the Policy Framework and the Budget
- (c) Subject to the urgency procedure contained in the Access to Information Procedure Rules in Part 4 of this Constitution, making decisions about any matter in the discharge of a committee function which is covered by the Policy Framework or the Budget where the decision-making body is minded to make it in a manner which would be contrary to the Policy Framework or contrary to, or not wholly in accordance with, the Budget
- (d) Approving changes to any plan or strategy which form part of the Council's Policy Framework, unless:
  - i. that change is required by the Secretary of State or any Government Minister where the plan or strategy has been submitted to him for approval, or
  - ii. Full Council specifically delegated authority in relation to these functions when it approved or adopted the plan or strategy
- (e) Agreeing and/or amending the terms of reference for committees and deciding on their composition



- (f) Appointing the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees, ~~and the Chairman/woman of the Health and Wellbeing Board and~~ **the Chairman/woman and Vice-Chairman/woman of the Audit and Accounts Committee, Pension Fund Committee and Planning Committee.**
- (g) Appointing the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee, who will also fulfil the respective roles of Leader and Deputy Leader of the Council
- (h) Appointing representatives to outside bodies unless the appointment has been delegated by the Council
- (i) Making appointments to the Fire Authority
- (j) Approving the annual Senior Officer Pay Policy Statement
- (k) Adopting a Members' Allowances Scheme
- (l) Changing the name of the area
- (m) Conferring the title of Honorary Alderman/woman
- (n) Confirming the appointment of, and dismissing, the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer (Section 151 Officer)
- (o) Making any request to the Local Government Boundary Commission for England for single-member electoral areas
- (p) Passing any resolution to change the County's electoral scheme
- (q) Making an order to give effect to recommendations made in a community governance review
- (r) Making, amending, revoking, re-enacting or adopting Bylaws and promoting or opposing the making of local legislation or personal Bills
- (s) Delegating functions to other local authorities as described in Article 10 of this Constitution
- (t) Amending the Scheme of Delegation to Officers set out in Part 3D of this Constitution
- (u) Approving the Council's Petitions Scheme set out in Part 4.1 of this Constitution
- (v) All other matters which, by law, must be reserved to Council.





**Appendix 3**

**7. AUDIT AND ACCOUNTS COMMITTEE**

Seven members of the Council. ~~The Chairman/woman and Vice-Chairman/woman of the Committee shall be elected by the Audit and Accounts Committee.~~

The Audit and Accounts Committee shall be entitled to appoint up to three people at any one time as non-voting co-opted members of the Committee. The Committee shall determine whether the co-options shall be effective for a specified period, for specific meetings or for specific items. The Committee may not co-opt any person who is an active member of any political party, defined as any person who engages in political activities which would not be permissible if that person was an officer holding a politically-restricted post within the Council. Co-options may only be made if the person co-opted has particular knowledge or expertise in the functions for which the Committee is responsible.

The Committee will meet at least 4 times a year, and will maintain the technical capability to discharge the Audit and Accounts Committee responsibilities of the Council.

**Summary of Functions:**

- To provide independent assurance of the adequacy of the risk management framework and the associated control environment.
- To provide independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the authority's exposure to risk and weakness of the control environment.
- To oversee the financial reporting process.
- To review matters relating to Internal Audit, external audit, risk management, governance, assurance statements, anti-fraud and anti-corruption arrangements.
- To enhance and promote the profile, status and authority of the Internal Audit function and to demonstrate its independence.
- To contribute towards making the authority, its committees and departments more responsive to the audit function.
- To review compliance with the relevant standards, codes of practice and corporate governance policies.
- To consider the extent to which the authority's control environment is successful in achieving value for money.





<b>2</b>	<b><u>Regulatory Framework</u></b>	
2.1	To maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations, codes of conduct etc.	
2.2	To review any issue referred to it by the Chief Executive or Executive Director or any Committee of the Council	
2.3	To monitor the effective development and operation of risk management and corporate governance throughout the Council	
2.4	To monitor council policies on "raising concerns at work" and anti-fraud and anti-corruption policies, including the Council's complaints process, and to approve any changes regarding the Council's Whistle-Blowing policy and arrangements	
2.5	To oversee the production of the Council's Statement of Internal Control/Governance Statement and recommend its adoption	
2.6	To consider the arrangements for corporate governance and to agree necessary actions to ensure compliance with best practice	
2.7	To consider the Council's compliance with its own and published standards and controls	
2.8	To report as appropriate to Full Council, relevant Policy and Service Committees and the Constitution and Ethics Committee on issues which require their attention or further action	
2.9	To bring to the attention of the General Purposes Committee any issue which may warrant further consideration or review	
<b>3</b>	<b><u>Accounts</u></b>	
3.1	To review and approve the annual Statement of Accounts	
3.2	Specifically to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council	
3.3	To consider the External Auditor's report to those charged with the governance issues arising from the audit of the accounts	

<b>4</b>	<b><u>Risk Management</u></b>	
4.1	To consider the effectiveness of the Council's risk management arrangements	
4.2	To seek assurances that action is being taken on risk-related issues	
4.3	To be satisfied that the Council's assurance statements, including the Statement of Internal Control, properly reflect the risk environment and any actions required to improve it	



**Appendix 4**

***Extract of Constitution***

**9. PENSION FUND COMMITTEE**

**Membership**

Representatives of	Number of seats	Term of Appointment	Method of Appointment
<b>Cambridgeshire County Council Members</b>	6	4 years from County Council elections	Determined by Cambridgeshire County Council Full Council.
<b>All other local authorities, police and fire</b>	2	4 years	Nominations determined by a leaders/chief executives' group. Selection would be linked to the respective employers' election cycle. Details of process to be agreed by the Chairman/woman.
<b>All other employers</b>	1	4 years from 2014	Nominations to be determined by eligible employers. Details of process to be agreed by the Chairman/woman.
<b>Active scheme members</b>	1	4 years from 2014	Determined by Unison. Where Unison fails to nominate a Committee Member for any period of 6 months or more, nominations will be requested from all eligible active scheme members and a representative will be picked following interviews. Details of process to be agreed by the Chairman/woman.
<b>Deferred and pensioner scheme members</b>	1	4 years from 2014	Determined by Unison. Where Unison fails to nominate a Committee Member for any period of 6 months or more, nominations will be requested from all eligible deferred and pensioner scheme members and a representative will be picked following interviews. Details of process to be agreed by the Chairman/woman.
<b>Total Committee Members</b>	11		

Substitutes: Full Council may appoint substitute members to the Pension Fund Committee in accordance with the scheme of substitution.

~~The Chairman/woman and Vice Chairman/woman of the Committee shall be elected by the Pension Fund Committee.~~



**Appendix 5**

**10. PLANNING COMMITTEE**

**Membership**

Eight members of the Council. ~~The Chairman/woman and Vice-Chairman/woman of the Committee shall be elected by the Planning Committee.~~

Delegated Authority	Delegation/Condition
Authority to exercise the Council's powers and functions in relation to: <ul style="list-style-type: none"><li>• Development Control</li><li>• The Planning (Hazardous Substances) Regulations 1992</li><li>• Applications under the Commons Registration Act 1965 and the Commons Act 2006</li><li>• Rights of Way</li></ul>	See Scheme of Delegation to Officers and to Area Committees
To undertake the Council's functions in relation to Minerals and Waste Local Development Documents	Subject to approval of the policy framework by Full Council  See Scheme of delegation to Officers



**Appendix 6**

***Extract of Constitution***

**COUNCIL PROCEDURE RULES**

These rules are designed to ensure meetings of the Full Council run smoothly and are conducted properly.

**1. ANNUAL MEETING OF THE COUNCIL**

**1.1 Timing**

In a year when there is an ordinary election of Councillors, the annual meeting will take place within 21 days of the retirement of the outgoing Councillors.

In any other year, the annual meeting will take place in May.

**1.2 Business**

The annual meeting will carry out the tasks listed below.

- (i) Elect a person to preside if the Chairman/woman of Council is not present.
- (ii) Elect the Chairman/woman of Council.
- (iii) Elect the Vice-Chairman/woman of Council.
- (iv) Approve the minutes of the last meeting.
- (v) Receive any announcements from the Chairman/woman and/or Head of Paid Service.
- (vi) Agree the scheme of delegation or such part of it as the Constitution determines it is for the Council to agree (as set out in Part 3 of this Constitution).
- (vii) Approve a programme of ordinary meetings of the Council for the year.
- (viii) Consider any business set out in the notice convening the meeting.

In addition, the annual meeting in a year where there is an ordinary election of Councillors will receive the report of the County Returning Officer for information, and will receive the Council's Constitution for endorsement.



### 1.3 **Selection of Councillors on Committees and Outside Bodies**

At the annual meeting, the Council will:

- (i) Decide which committees and sub-committees to establish for the municipal year.
- (ii) Decide the size and terms of reference for those committees and sub-committees.
- (iii) Decide the allocation of seats and substitutes to political groups in accordance with the political balance rules.
- (iv) Appoint the Chairman/woman and Vice-Chairman/woman of the General Purposes Committee who will also fulfil the role of Leader and Deputy Leader of the Council respectively.
- (v) Appoint the Chairman/woman and Vice-Chairman/woman of each of the seven policy and service committees.
- (vi) Appoint the Chairman/woman of the Cambridgeshire Health and Wellbeing Board.
- (vii) Appoint the Chairman/woman and Vice-Chairman/woman of the Audit and Accounts Committee, Pension Fund Committee and Planning Committee.**
- (viii) Appoint to outside bodies except where appointment to those bodies has been delegated by the Council.

## 2. **ORDINARY MEETINGS**

Ordinary meetings of the Council will take place in accordance with a programme decided at the Council's annual meeting. Ordinary meetings will:

- (i) Elect a person to preside if the Chairman/woman and Vice-Chairman/woman are not present.
- (ii) Approve the minutes of the last meeting.
- (iii) Receive any announcements from the Chairman/woman, Leader, Committee Chairmen/women or the Chief Executive.
- (iv) Subject to the consent of the person presiding at the meeting:
  - (a) receive questions from, and provide answers to, the public; and
  - (b) receive petitions in accordance with the Council's petitions scheme.
- (v) Deal with any business from the last Council meeting.





- (vi) Consider recommendations from the Council committees on matters requiring a Council decision.
- (vii) Receive reports about and receive questions and answers on the business of joint arrangements and external organisations.
- (viii) Consider motions.
- (ix) Consider any other business specified in the summons to the meeting, including consideration of proposals from the General Purposes Committee in relation to the Council's budget and policy for debate.
- (x) Put questions to the Council's representatives on the Fire Authority and the Combined Authority Board and Overview and Scrutiny Committee.

### **3. EXTRAORDINARY MEETINGS**

#### **3.1 Calling Extraordinary Meetings**

Those listed below may request the Proper Officer to call Council meetings in addition to ordinary meetings:

- (i) The Council by resolution
- (ii) The Chairman/woman of the Council
- (iii) The Monitoring Officer
- (iv) Any five members of the Council if they have signed a requisition presented to the Chairman/woman of the Council and he/she has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.

Any requisition received for an extraordinary meeting must specify the business to be transacted at the meeting.

#### **3.2 Business**

The business to be transacted at an extraordinary meeting of the Council shall be restricted to those items set out in the summons.



**10. MOTIONS ON NOTICE**

**10.1 Notice**

Except for motions which can be moved without notice under Rule 11, written notice of motions for discussion at Council meetings, excluding extraordinary or special meetings of the Council or the first annual meeting of a new Council, must be delivered to the Proper Officer not later than 12.00 noon 14 days before the date of the meeting. The Proper Officer will maintain a public record of all motions submitted.

**10.2 Motion set out in Agenda**

Motions for which notice has been given will be listed on the agenda in the order in which notice was received, unless the member giving notice states, in writing, that he/she proposes to move it to a later meeting or withdraw it.

**10.3 Scope**

Motions must be about matters for which the Council has a responsibility or which affect the County. They may propose an addition or change to a policy framework provided that the addition or change could not reasonably have been raised when the policy framework was originally approved.

**PROTOCOL ON MEMBER/OFFICER RELATIONS**

*To:* **Constitution and Ethics Committee**

*Meeting Date:* **4th April 2019**

*From:* **Director of Governance and Legal Services and  
Monitoring Officer**

*Purpose:* **To consider proposed changes to the protocol on  
Member/Officer Relations.**

*Recommendation:* **The Constitution and Ethics Committee is asked to  
consider amendments to the Constitution, as set out in  
Appendix 1, and recommend any changes to full Council,  
if appropriate:**

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
Name:	Michelle Rowe	Name:	Councillor Mac McGuire
Post:	Democratic Services Manager	Chairman:	Constitution and Ethics Committee
Email:	<a href="mailto:michelle.rowe@cambridgeshire.gov.uk">michelle.rowe@cambridgeshire.gov.uk</a>	Email:	<a href="mailto:mac.mcguire@cambridgeshire.gov.uk">mac.mcguire@cambridgeshire.gov.uk</a>
Tel:	01223 699180	Tel:	01223 706398 (office)

## **1. BACKGROUND**

- 1.1 The Nolan Committee's Report on Standards of Conduct in Local Government published in 1995 recommended that every Council should adopt a formal protocol setting out guidance for appropriate relationships between members and officers.
- 1.2 The Council's protocol takes into account the views and recommendations expressed by the Nolan Committee.
- 1.3 Given that the protocol has not been reviewed since it was first introduced, the opportunity has therefore been taken to conduct a light touch review taking into account the protocols in place for other county councils.

## **2. PROPOSED CHANGES TO CONSTITUTION**

### **2.1 Introduction**

Whilst the background to the introduction to the protocol is interesting, it is proposed to amend this section to make the wording much more succinct.

### **2.2 Personal Relationships**

This section has been revised to reflect changes proposed previously by the Council regarding Chairmen/women. It also reflects the changes in the Strategic Management Team structure.

### **2.3 Support Services to Members and Party Groups**

The Members' Allowances Scheme states the following:

#### ***Stationery***

*No claims can be made for the cost of printer cartridges, paper, envelopes, stamps, pens, or other stationery. Nor are these to be provided free of charge by the Council.*

This section of the protocol has therefore been amended to reflect the Scheme.

### **2.4 Officers and Whole Council**

It is felt that the above title does not provide sufficient clarity. It is therefore proposed to change it to the following – Member/Officer Working. Section 5.1 has been revised to provide greater clarity for both Members and Officers. It should be noted that following the approval of the revised protocol, it is proposed to circulate it to all officers of the Council to remind them of how they should work with Members.

Section 5.3 has been revised to reflect the fact that the Council has never employed political assistants. The protocol would need to be revised if the situation ever changed in the future.

## 2.5 Officers and Political Party Groups

As in Section 2.2, changes in the Strategic Management Team structure have been reflected. Section 6.2 has been amended to simplify the process and provide greater clarity. It is also proposed that the protocol should state why officers will not normally attend and provide information to any political party group meeting which includes non-County Council members.

## 2.6 Officers and Individual Members

As in Sections 2.2 and 2.5, changes in the Strategic Management Team structure have been reflected. This section has also been revised to reflect changes proposed previously by the Council regarding Chairmen/women. The title of the Democratic Services Team has been updated.

## 2.7 Officers and Non-County Council Elected Representatives

It is proposed that an officer should meet a Councillor from another Council with the relevant County Councillor for the Division, as it is likely that the factual information to be provided by the officer relating to that area will be of interest to both parties.

## 2.8 Local Members

It is suggested that the title of this section be amended to “Keeping Local Members Informed” so that the purpose is clear to officers. The Committee is asked to consider whether the suggested revisions improve the clarity of this section particularly for officers. A new section 10.6 has been included setting out the need for Local Members to inform the Council if they propose to arrange a public meeting on a matter concerning some aspect of the Council’s work.

## 2.9 Member Training

Section 11.2 is no longer relevant, as the majority of Councillors do not support this way forward. Instead Member training is managed by the Council’s Member Training Panel, which includes a representative from each political group.

## 2.10 Procedure for Members, and Procedure for Officers ~~Employees~~

As in Sections 2.2, 2.5 and 2.6, changes in the Strategic Management Team structure have been reflected.

Source Documents	Location
Council’s Constitution	<a href="http://tinyurl.com/Constitution-CCC">http://tinyurl.com/Constitution-CCC</a>



## PROTOCOL ON MEMBER/OFFICER RELATIONS

### 1. Introduction

- ~~4.1~~ The Nolan Committee's Report on Standards of Conduct in Local Government recommended that every Council should adopt a formal protocol setting out guidance for appropriate relationships between members and officers.
- ~~4.2~~ This is the Cambridgeshire County Council protocol which takes into account the views and recommendations expressed by the Nolan Committee. Mutual trust and respect between Members and employees is at the heart of good governance for councils. They are essential elements of the partnership necessary for the effective running of a local authority.
- ~~4.3~~ **The protocol is designed to provide a guide to good working relations between Members and officers, to define their respective roles and provide some principles governing conduct.** ~~The purpose of this protocol is to guide members and officers of the Council in their relationships with one another. It is not intended to be prescriptive or comprehensive and seeks simply to offer guidance on some of the issues that most commonly arise.~~
- ~~4.4~~ **1.1** The protocol seeks to reflect the principles underlying the respective Codes of Conduct that apply to Members and officers and should be read in association with those Codes. The shared objective of the Codes is to enhance and maintain the integrity of local government.
- ~~4.5~~ **1.2** **This protocol will also apply to** ~~Unless the context otherwise requires, reference to a Member will include reference to a co-opted members of committees/boards.~~

### 2. Personal Relationships

- 2.1 Guidance on personal relationships is contained within the Codes of Conduct.
- 2.2 Provided these guidelines are observed there is no reason why there should not be an informal atmosphere between members and officers outside formal meetings and events.
- 2.3 It is clearly important that there should be a close working relationship between Committee Chairmen/**women**, lead members, and the relevant Executive **Director** or Corporate Director and other senior officers. However, such relationships should never be allowed to become so close, or appear to be so close, as to bring into question the individual's ability to deal impartially with others.

### 3. Members' Constituency Role and Individual Officers ~~Employees~~

- 3.1 A member may be asked for advice and support by an **officer** ~~employee~~ who is one of their constituents. **Officers** ~~Employees~~ are entitled to seek such



assistance in the same way as any other member of the public. However, members should be aware of the Officer Employment Procedure Rules in Part 4 of this Constitution and be careful not to prejudice the County Council's position in relation to disciplinary procedures or employment matters in respect of an **officer-employee**. A member approached for help in such circumstances should first seek advice from the Monitoring Officer.

#### 4. **Support Services to Members and Party Groups**

- 4.1 Members are provided with access to ICT (information and communication technology) systems and to support services (e.g. diary management, correspondence handling, ~~stationery provision~~, typing, printing, photocopying etc.) to enable them to better perform their policy and constituency role as County Councillors.
- 4.2 Members should not use – and officers should not provide – such access and support services in connection with party political or campaigning activity or for purposes not related to Council business, except that ICT access may be used for non-commercial purposes provided it does not cause a conflict with, or risk to, Council systems, or increase the support required from officers.

#### 5. **~~Officers and Whole Council Member/Officer Working~~**

- 5.1 The relationship between **officers-employees** and Members should be characterised by mutual respect and courtesy and recognition of each other's roles and responsibilities. **Members have the right to challenge officers' reports and actions, but they should avoid personal and or/public attacks, and ensure their criticism is fair and constructive.**

**Officers should not publicly criticise Council decisions even if they do not personally agree with those decisions.**

- 5.2 Collaborative working between Members and **officers-employees** is essential but close personal familiarity can lead to damaging assumptions by others. Councillors and **officers-employees** should inform the Monitoring Officer of any relationship either personal or family, or business connection which might be seen as unduly influencing their work in their respective roles. The Monitoring Officer will consider what action, if any, should be taken.
- 5.3 ~~With the exception of staff specially appointed to support political groups, employees~~ **Officers** work to the instructions of their managers not individual Members.
- 5.4 Members must not require **officers-employees** to change their professional advice or take any action which the **officer-employee** considers unlawful or illegal or which would amount to maladministration or breach of a statutory duty.



- 5.5 Members should not raise matters relating to the conduct or capability of a Council ~~officer-employee~~ or of ~~officers-employees~~ collectively at meetings held in public or in the press. Any concerns should be raised using the procedure set out at paragraph 12.1 below.
- 5.6 The advice provided and actions taken by ~~officers-employees~~ should be sensitive to the political nature of the organisation, but their advice should always be independent and unbiased.
- 5.7 Members must consult with the Monitoring Officer and the Chief Finance Officer about legality, maladministration and financial impropriety and if they have doubts as to whether a particular decision is or is likely to be contrary to the policy framework or budget.
- 5.8 The Council has a statutory duty to positively promote equality. Members and ~~officers-employees~~ should not by their manner, speech, or in any written communication, be discriminatory with regards to a person's age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation.
6. **Officers and Political Party Groups**
- 6.1 There is statutory recognition for political groups and it is common practice for such groups to give preliminary consideration to matters of Council business in advance of consideration by the relevant Council body.
- 6.2 On the invitation of a Group Leader, an Executive **Director** or ~~Corporate~~ Director or his/her nominee may attend an approved political party group meeting to give factual information about an issue which is currently being or will shortly be debated by a Council body, provided that:
- notice of attendance is given to the proper officer and made available ~~on request~~ to the other Group Leaders **setting out the subject matter under discussion.**
  - The Chief Executive or Deputy Chief Executive or Monitoring Officer or their nominee will be in attendance.
- 6.3 Officer support in these circumstances must not extend beyond providing information in relation to matters of Council business. Officers must not be involved in advising on matters of party business. The observance of this distinction will be assisted if officers are not expected to be present when matters of party business are discussed.
- 6.4 Political party group meetings, while they form part of the preliminaries to Council decision-making, are not empowered to make decisions on behalf of the Council. Conclusions reached at such meetings are not Council decisions and it is essential that they are not interpreted or acted upon as such.





- 6.5 Similarly where officers provide information and advice to a political party group meeting in relation to a matter of Council business, this cannot act as a substitute for the officer providing all necessary information and advice to the relevant Council body when the matter is considered.
- 6.6 Officers will not normally attend and provide information to any political party group meeting which includes non-County Council members (e.g. MPs), **as they are not bound by the Code of Conduct's obligations of confidentiality.** Exceptions to this may be approved by the Chief Executive who shall do so in writing and copy the correspondence to all the political Group Leaders.
- 6.7 In all dealings with members, in particular when giving advice to political party groups, officers must demonstrate political impartiality and must not suppress their professional advice in the face of political views.
- 6.8 Officers must respect the confidentiality of any political party group meeting at which they are present. They must not relay the content of any such discussion to another party group.
- 6.9 Any particular cases of difficulty or uncertainty in this area of officer advice to political party groups should be raised with the Chief Executive who will discuss them with the relevant Group Leader(s).
- 7. Officers and Individual Members**
- 7.1 Any Group Leader, lead member or Committee Chairman/**woman** may request a private and confidential briefing from an Executive **Director** or ~~Corporate~~ Director on matters of policy which have already been or may be discussed by the Council or within its decision-making or advisory process. All requests should be made to the appropriate Executive **Director** or ~~Corporate~~ Director, who should invite an officer from the Council's Democratic Services **Team** ~~Division~~ to attend if this is thought appropriate. Briefings shall remain strictly confidential and are not to be shared with other members of the Council unless so permitted by the relevant member.
- 7.2 Except for the confidential policy advice referred to above, where possible information will be shared among political group representatives.
- 7.3 Individual members may request any Executive **Director** or ~~Corporate~~ Director (or another senior officer of the Service or Directorate concerned) to provide them with factual information. Such requests must be reasonable. The relevant Committee Chairman/**woman** and the lead members will, unless it is of a minor nature, be advised that the information has been given and, on request, will be supplied with a copy.



- 7.4 If an Executive **Director** or ~~Corporate~~-Director considers the cost of providing the information requested - or the nature of the request - to be unreasonable, he/she shall seek guidance from the Chief Executive as to whether the information should be provided. Where necessary, the Chief Executive will discuss requests with the relevant Group Leader.
- 7.5 Confidential information relating, for instance, to casework should not normally be sought. If in exceptional circumstances members wish to discuss confidential aspects of an individual case then they shall first seek advice from the Executive **Director** or ~~Corporate~~ Director and follow appropriate guidance.
- 7.6 Finally, any Council information provided to a member must only be used by the member for the purpose for which it was provided (i.e. in connection with the proper performance of the member's duties as a member of the Council). The point is emphasised in the Code of Conduct.
8. **Officers and Non-County Council Elected Representatives**
- 8.1 Officers may be requested to meet with Councillors or elected representatives from other Councils or organisations to provide briefings and/or policy advice.
- 8.2 Any officer requested to attend a meeting of this nature which is not held on a cross-political party basis must obtain the prior authorisation of the Chief Executive who shall inform all Group Leaders of the arrangements. **The officer will then meet the Councillor or elected representative in the presence of the relevant County Councillor for the Division.**
9. **Media Relations**
- 9.1 All relations with the media must be conducted in accordance with the Council's agreed procedures and the law on Local Authority publicity.
- 9.2 ~~Officers-Employees~~ will make every effort to keep Councillors informed of media interest in Council activities relevant to their responsibilities and the electoral divisions they represent, especially regarding strategic or contentious matters.
- 9.3 Any officer assisting a member with media relations must act at all times in the interests of the whole Council and in a politically impartial manner. Other than factual statements, members should not seek assistance from an officer with the preparation or issue of any media statement that will adversely affect the reputation of the Council.



**10. Keeping the Local Members informed**

**10.1 To enable them to carry out their divisional role effectively, Members can expect to be fully informed as early as possible about matters affecting their division.**

~~It is essential for the proper running of the Council that members should be fully informed about matters on which they may be required to make decisions or which affect their electoral divisions.~~

**10.2 Senior officers must ensure that effective and timely arrangements are in place to inform Members of such matters, thus allowing them to promote and develop their representative role.**

~~It is the duty of each Executive, Corporate and Service Director to ensure that all relevant staff are aware of the requirement to keep local members informed and that the timing of such information allows members to contribute to those decisions.~~ Local members shall also be kept informed about matters affecting their divisions during the formative stages of policy development and discussion at informal meetings.

**10.3 Issues may affect a single electoral division but others may have a wider – even sub-regional – impact, in which case numerous members will need to be kept informed.**

**10.4 Local members have an important role to play in representing the County Council in their constituencies; responding to the concerns of their constituents; in meetings with partners and serving on outside organisations.**

**10.5 Whenever a public meeting is organised by the Council to consider a local issue, all the members representing the electoral division(s) affected should as a matter of course be invited to attend the meeting.**

**10.6 If a local member intends to arrange a public meeting on a matter concerning some aspect of the Council's work, he/she should inform the relevant officer.**

~~10.6~~ Similarly, whenever the Council undertakes any form of consultative exercise,  
~~10.7~~ the local member(s) should be notified immediately prior to the outset of the exercise.

**11. Member Training**

**11.1 Members are expected to embrace the principles of personal development and skill training and ensure they allocate time to participate in all the necessary training and personal development activities. This includes the necessary skills to take advantage of the ICT facilities made available to them. Group Leaders should ensure that all new Members in the group attend new Councillor induction training.**



- 11.2 ~~Officers will work with Group Leaders and/or individual members to produce a personal development plan for each member, seek to ensure resources are available to fulfil the actions agreed in the plan and provide appropriate training to ensure that all members have the skills needed to fulfil their duties.~~

12. **Complaints/Concerns**

**Procedure for Members**

- 12.1 If a Member is dissatisfied with the conduct, behaviour or performance of an officer they should raise the matter privately with the relevant Executive **Director** or Corporate Director. If their concerns relate to an Executive Director or Corporate Director the concern should be raised with the Chief Executive. If the concerns relates to the Chief Executive then the concern should be raised with the Monitoring Officer.

**Procedure for Officers ~~Employees~~**

- 12.2 If an **officer** ~~employee~~ is unhappy with the conduct or behaviour of a Councillor they should seek to resolve the matter by appropriate discussion and involvement of their Executive **Director** or ~~Corporate~~ Director.
- 12.3 In the event that matters remain unresolved they should inform the Monitoring Officer who will consider what action should be taken.

13. **Arbitration**

- 13.1 When necessary, the Chief Executive will arbitrate on the interpretation of this Protocol following consultation with the Monitoring Officer.

**SCHEME OF DELEGATION**

**To:** Constitution and Ethics Committee

**Meeting Date:** 4th April 2019

**From:** Director of Governance and Legal Services and  
Monitoring Officer

**Purpose:** To consider the Scheme of Delegation or such part of it as  
the Constitution determines it is for Council to agree (as  
set out in Part 3 of the Constitution).

**Recommendation:** The Constitution and Ethics Committee is invited to  
recommend to Council that it agree the Scheme of  
Delegation or such part of it as the Constitution  
determines it is for Council to agree (as set out in Part 3 of  
the Constitution).

<b><i>Officer contact:</i></b>		<b><i>Member contact:</i></b>	
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Post:	Democratic Services Manager	Chairman:	Constitution and Ethics Committee
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## 1. BACKGROUND

- 1.1 Part 4 – Rules of Procedure, Part 4.1 – Council Procedure Rules, 1. Annual Meeting of the Council, states that the annual meeting will agree the scheme of delegation or such part of it as the Constitution determines it is for Council to agree (as set out in Part 3 of the Constitution).
- 1.2 Section 3D – Responsibility for Functions, Scheme of Delegation is available at the following link:  
<https://cambridgeshire.cmis.uk.com/ccclive/Documents/PublicDocuments.aspx>

Source Documents	Location
Council's Constitution Part 3 – Responsibility for Functions	<a href="https://cambridgeshire.cmis.uk.com/ccclive/Documents/PublicDocuments.aspx">https://cambridgeshire.cmis.uk.com/ccclive/Documents/PublicDocuments.aspx</a>

**A REVIEW OF THE COMPLAINTS RECEIVED UNDER THE MEMBERS' CODE OF CONDUCT TO END OF MARCH 2019**

*To:* **Constitution and Ethics Committee**

*Meeting Date:* **4 April 2019**

*From:* **Monitoring Officer**

*Electoral  
division(s):* **All**

*Purpose:* **To brief the Constitution and Ethics Committee on the number and nature of the complaints received about Members under the Code of Conduct from 28 February 2019 to 26 March 2019 along with details of other complaints which have been concluded.**

*Recommendation:* **It is recommended that the Constitution and Ethics Committee note the contents of this report.**

<b><i>Officer contact:</i></b>	
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## 1. INTRODUCTION

- 1.1. The Localism Act (“the Act”) places a statutory duty on the County Council to promote and maintain high standards of conduct amongst its Members and co-opted Members. This includes the obligation on the County Council to have in place a Code of Conduct setting out the standard of conduct expected of Members when acting in their capacity as County Councillors.
- 1.2. The requirements of the Act are supported by Article 2 of the Constitution, Members of the Council, and by Part 5.1, Members’ Code of Conduct. The Constitution and Ethics Committee’s terms of reference give it authority to monitor the operation of the Code of Conduct and the complaints received under it.
- 1.3. This report serves to provide the Constitution and Ethics Committee with an overview of the complaints received under the Code of Conduct from 19 September 2018 when it last met to 19 November 2018.

## 2. OVERVIEW OF COMPLAINTS

- 2.1. Since 28 February 2019 one complaint has now been concluded and published on the council's website. Two other complaints are currently in progress and awaiting consultation with the council’s independent person.
- 2.2. Details of the complaint which has been concluded since 28 February 2019 are set out in **Appendix 1**.
- 2.2. The publication of details of complaints only takes place after conclusion of the complaint to reduce speculation on limited information, ensure there is no compromise of any assessment or investigation, and that the Data Protection Act 1998 is complied with.

Source Documents	Location
Decision Notices	Published on the Council’s website at <a href="https://www.cambridgeshire.gov.uk/council/contact-us/complain-about-a-councillor-or-co-opted-member/">https://www.cambridgeshire.gov.uk/council/contact-us/complain-about-a-councillor-or-co-opted-member/</a>



## **INITIAL ASSESSMENT OF COMPLAINT DECISION NOTICE**

**Subject Member: Cllr Lucy Nethsingha – Cambridgeshire County Council**

### **1. Background**

- 1.1. On 16th December 2018 the Monitoring Officer received a formal complaint from Councillor Count (“the Complainant”), alleging that Cllr Nethsingha (“the Subject Member”) had breached the Cambridgeshire County Council Code of Conduct.
- 1.2. The substance of the complaint relates to an online article published by Cambridgeshire Live on 9th November 2018 and subsequently then discussed on Radio Cambridgeshire. In particular it is alleged that Councillor Nethsingha had used the following words “not safe”, ‘not a safe or sensible solution’ and ‘horrendous’ without basis and in direct opposition to the information supplied by officer. It is alleged that by so doing Cllr Nethsingha had implicitly implied that the Council had put a person at risk and that that conditions arranged for the person in question were below an acceptable standard which is denied.

### **2. Evidence Considered**

- 2.1. The following documents and information were considered for the purposes of this initial assessment of this complaint:-
  - 2.1.1. Complaint sent by email on 5th February 2019 together with the links referred to therein;
  - 2.1.2. Responses from the Subject Member sent by email on 5th to 7th February 2019; and
  - 2.1.3. The Council’s Members’ Code of Conduct.

### **3. Jurisdiction**

- 3.1. For a complaint to be considered in connection with the Member’s Code of Conduct, the following test must be satisfied:
  - 3.1.1. the complaint was made against a person who, at the time the alleged action took place, was a member of Cambridgeshire County Council; and
  - 3.1.2. the Subject Member had signed up to the Members’ Code of Conduct in force at the time the alleged action took place; and
  - 3.1.3. the Subject Member was conducting the business of their authority or acting, claiming to act or giving the impression of acting as a representative of the authority.

- 3.2. The Independent Person and Deputy Monitoring Officer have concluded all three limbs of this test are satisfied in this matter.

#### **4. Initial Assessment Decision**

- 4.1. The Independent Person has considered whether the actions of the Subject Member described in paragraph 1.2 above constitutes a breach of the following provisions of the Members' Code of Conduct:

- 4.1.1. You must treat others with respect (para 2.1 Code of Conduct);
- 4.1.2. You must not conduct yourself in a manner which could reasonably be regarded as bringing your office or authority into disrepute (para 2.2(e) Code of Conduct.

- 4.2. The complaint and subject member's response can be summarised as follows:

- 4.2.1. Councillor Count alleges that Councillor Nethsingha has failed to treat officers with respect by disregarding the information that was shared with her relating to the circumstances of the individual concerned. In particular it is said that whilst assurances were given that the individual was safe and receiving 24 hour care Councillor Nethsingha's comments to the media were not reflective of that and were sufficiently sensationalised as to cause reputational damage to the council.
- 4.2.2. Councillor Nethsingha contends that she does not believe that the circumstances the individual was in prior to her being removed was safe as supported by the fact that she was relocated to the Travelodge. Furthermore she does not consider that a Travelodge is suitable accommodation for an individual suffering from advanced dementia. Councillor Nethsingha has explained that her use of the term 'horrendous' was intended to apply to the situation and not the hotel itself. Furthermore it remains her view that for a care-worker to be looking after an active individual with dementia in a hotel would be pretty awful and has great concern for anyone put in that situation. Councillor Nethsingha has confirmed that she did not intend to blame individual council employees for the circumstances and she acknowledges being aware that there were difficulties in managing this case. Her concern however was that the system is not sufficiently well resources and the financial pressures and staff workload pressures in her view are leading to poor decision making in some cases. To that end Councillor Nethsingha believes the financing of the social care system, and the workload of social work staff to be a matter for legitimate political debate, and thus entirely within her role as Leader of the Liberal Democrat group.

- 4.2.3. Councillor Nethsingha has also sought to clarify aspects of the complaint as follows:
- 4.2.3.1. “Councillor Count’s assertion: “Not safe” Cllr. Nethsingha has implicitly implied we have put a person at risk. I said “I am concerned that the county council is pretending that it can manage this shortage by caring for people in their homes, when in fact that is not a safe or sensible solution” — that is a general point, and by definition not even related to the situation of the lady in the Travelodge.
- 4.2.3.2. Councillor Count asserts: “Not safe or sensible solution” Cllr. Nethsingha has implicitly implied our actions allow us to continue to put individuals at risk. As above, and entirely legitimate matter for political debate.
- 4.2.3.3. Councillor Count asserts: “Horrendous” Cllr. Nethsingha has implicitly implied that the conditions we arranged for this person to temporarily live in were far below what would be an acceptable standard. I said “I don’t know how long she was in a Travelodge with her carer, but the idea of having to care for someone in this state in a Travelodge, even for a few days, is pretty horrendous”. That’s a comment about how difficult it would be for the carer to have to care for someone with this condition in a hotel.”
- 4.2.4. Councillor Nethsingha has declined to apologise or retract her statement.
- 4.3. The Independent Person and Deputy Monitoring Officer, having considered all of the available evidence, have concluded as follows:
- 4.3.1. As to the question of whether Councillor Nethsingha has failed to treat others with respect; it was felt that the comments made were not designed with the deliberate intent to be disrespectful. It is however acknowledged that the views of officers who had provided reassurances were disregarded for the purpose of the article which could be construed as undermining the integrity of their views. This is balanced again the fact that no individuals were personally named and, as per Councillor Nethsingha’s response, many of the comments were intended to be considered in the ‘broader’ sense as opposed to specifically in relation to this particular case. Nevertheless it is acknowledged that officers may have felt devalued by the comments made and whilst this is unlikely to have been the intended consequence is something which must be considered in future.

4.3.2. As to the question of whether Councillor Nethsingha has behaved in a way that could reasonably be regarded as bringing herself or the authority into disrepute; it is acknowledged that the comments made were of a critical nature and had the effect of highlighting concerns generally and in relation to the particular individual associated with the article. Councillor Nethsingha however contends that her comments did not go beyond those which she is reasonably entitled to make in a political arena and as the Leader of the Liberal Democrats. Whilst this is acknowledged, the words published have again to be considered in conjunction with the advice that was given by officers.

4.4. In summary the Independent Person's view is that:

4.4.1. In respect of the allegation of Cllr Nethsingha having failed to treat others with respect, whilst it is clear that there are lessons to be learnt it is not considered that this reaches the threshold for further investigation.

4.4.2. In respect of the allegation that Cllr Nethsingha is guilty of bringing herself/Cambridgeshire County Council into disrepute, whilst in the overall context it is considered that the remarks don't go far enough to amount to a breach of the code, there is a very fine line to be drawn and care should always be taken to ensure the accuracy of the information published.

4.5. As a consequence of the above, the Independent Person advised that in her opinion there was no apparent breach of the Code of Conduct and therefore no further action should be taken.

4.6. The Deputy Monitoring Officer concurs and therefore no further action will be taken.

**Approved By:**            **Gill Holmes (Independent Person)**  
                                 **Amy Brown (Deputy Monitoring Officer)**

**Dated:**                    **26th March 2019**

# CONSTITUTION AND ETHICS COMMITTEE AGENDA PLAN

Updated 27/03/19

04.04.19	AGENDA ITEMS		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Scheme of Financial Management	T Kelly/ R Barnes
		Changes to Constitution: Highways & Community Infrastructure and Communities & Partnership Committees	C May
		Update Following Publication of the Committee on Standards in Public Life's Report on Local Government Ethical Standards in January 2019	F McMillan/ A Brown
		Arrangements for the Appointment of Independent Person(s)	F McMillan / A Brown / M Rowe
		Chairmen/women and Vice-Chairmen/women of Committees	M Rowe
		Protocol on Member/Officer Relations	M Rowe
		Scheme of Delegation	M Rowe
		A Review of the Complaints Received Under the Members' Code of Conduct to End of March 2019	F McMillan
		Agenda Plan	N Mills

27.06.19	AGENDA ITEMS		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Review of Complaints Procedure	F McMillan / A Brown
		Quarterly report on investigation of complaints	F McMillan
		Agenda Plan	N Mills

01.10.19	AGENDA ITEMS		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Quarterly report on investigation of complaints	F McMillan
		Agenda Plan	N Mills

21.11.19	AGENDA ITEMS		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Agenda Plan	N Mills

<b>30.01.20</b>	<b>AGENDA ITEMS</b>		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Quarterly report on investigation of complaints	F McMillan
		Agenda Plan	N Mills

<b>07.04.20</b>	<b>AGENDA ITEMS</b>		
		Apologies and declarations of interest	
		Minutes of Previous Meeting	N Mills
		Quarterly report on investigation of complaints	F McMillan
		Agenda Plan	N Mills