

REVIEW OF FINANCE & CONTRACT PROCEDURE RULES
REPORT OF THE MONITORING OFFICER



WARDS AFFECTED: ALL WARDS

1. PURPOSE OF REPORT

- 1.1 To highlight proposed changes to the Financial and Contract Procedure Rules (the Rules) to bring the documents up to date.
- 1.2 A full copy of the Financial and Contract Procedure Rules with the proposed changes is available upon request.

2. RECOMMENDATION

- 2.1 That Council approves the changes to the Financial and Contract Procedure Rules outlined in Appendix 1.

3. BACKGROUND TO THE REPORT

- 3.1 Financial Procedure and Contract Procedure Rules form part of the Constitution and must be reviewed annually with any changes being first approved by Council. The Financial and Contract Procedure Rules have therefore been updated to reflect any changes in processes and legislation.

4. FINANCIAL IMPLICATIONS [KP]

- 4.1 Contained within the body of the report.

5. LEGAL IMPLICATIONS [EH]

- 5.1 Amendments to the Constitution require a two thirds majority on a report presented by the Monitoring Officer. The Contract and Financial Procedure rules form part of the Constitution and therefore the amendment must be in accordance with this requirement.

6. CORPORATE PLAN IMPLICATIONS

- 6.1 As part of the Constitution, this report Impacts on all of the Corporate Plan.

7. CONSULTATION

- 7.1 None.

8. RISK IMPLICATIONS

- 8.1 It is the Council's policy to proactively identify and manage significant risks which may prevent delivery of business objectives.
- 8.2 It is not possible to eliminate or manage all risks all of the time and risks will remain which have not been identified. However, it is the officer's opinion based on the information available, that the significant risks associated with this decision / project have been identified, assessed and that controls are in place to manage them effectively.

8.3 The following significant risks associated with this report / decisions were identified from this assessment:

Management of significant (Net Red) Risks		
Risk Description	Mitigating actions	Owner
None	NA	NA

9. KNOWING YOUR COMMUNITY – EQUALITY AND RURAL IMPLICATIONS

9.1 Services will be delivered on a more financially and contractually sound basis.

10. CORPORATE IMPLICATIONS

10.1 By submitting this report, the report author has taken the following into account:

- Community Safety implications
- Environmental implications
- ICT implications
- Asset Management implications
- Human Resources implications
- Planning Implications
- Voluntary Sector

Background papers: None.

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Executive Member: Councillor Witherford

Appendix 1

Financial Procedure Rules

Section	Current wording	Proposed wording	Rationale for change
12. Income – Write off limits for Council Tax, NNDR and Housing Benefits Overpayments	For debts greater than £1,000 but not exceeding £10,000 (including aggregated debts for one debtor) (and for all credit balances), the delegated authority rests with the Senior Partnership Manager.	For debts greater than £1,000 but not exceeding £10,000 (including aggregated debts for one debtor) (and for all credit balances), the delegated authority rests with the Head of Partnership .	To reflect change in job title/structure
23. Revenue budget (Control)	<p>For control purposes, an income or expenditure budget represents a budget line (known as the budget head) in the Capital and Revenue Estimates Book.</p> <ul style="list-style-type: none"> • Variations of up to £1,000 on supplies and services codes and to a maximum of £10,000 in a financial year: A member of the Corporate Operations Board • Variations of more than 20% but up to £10,000: Deputy Chief Executive (Corporate Direction) can approve virement or supplementary budget to a maximum of £200,000 per year in aggregate • Variations between £10,001 and £25,000: Chief Executive in consultation with Deputy Chief Executive (Corporate Direction) can approve virement or supplementary budget to a maximum of £500,000 per year in aggregate 	<p>For control purposes, an income or expenditure budget represents a budget line (known as the budget head) in the Capital and Revenue Estimates Book.</p> <ul style="list-style-type: none"> • Variations of up to £1,000 on supplies and services codes and to a maximum of £10,000 in a financial year: A member of the Corporate Operations Board • Variations of more than 20% but up to £10,000: Deputy Chief Executive (Corporate Direction) can approve virements to a maximum of £200,000 per year in aggregate Deputy Chief Executive (Corporate Direction) can approve supplementary budget requests to a maximum of £200,000 per year in aggregate • Variations between £10,001 and £25,000: Chief Executive in consultation with Deputy Chief Executive (Corporate Direction) can approve virements to 	To ensure a consistent approach is taken to supplementary budgets and virements for both revenue and capital

		<p>a maximum of £500,000 per year in aggregate Chief Executive in consultation with Deputy Chief Executive (Corporate Direction) can approve supplementary budgets to a maximum of £500,000 per year in aggregate</p>	
10. Capital Programme (Control)	Chief Officers must report to Executive, where tenders/quotations cause the scheme budget to be exceeded by more than 5% (minimum reporting level £10,000)”	<p>Where tenders and quotations cause the scheme budget to be exceeded:</p> <ol style="list-style-type: none"> 1. By up to 5% the Chief Officer may approve such variation; 2. By between 5% and 20% then the Chief Officer must report to the Strategic Leadership Board, (subject to a minimum reporting level of £10,000)” who may approve such variations; 3. By over 20% then the Chief Officer must report to the Executive who may approve such variations <p>subject to any such variations only being approved in consultation with the Procurement Officer and the Legal Services Manager</p>	Proportionate approach given the materiality of capital schemes
25. Salaries, Wages & Pensions	Chief Officer (Corporate and Customer Resources, Scrutiny and Ethical Standards) and Head of Corporate Servicesr	All references to be changed to HR Manager .	Change in personnel.

Contract Procedure Rules

Section	Current wording	Proposed wording	Rationale for change
Para 1.1 General	Within these rules the term “Chief Officer” shall be deemed to include the Chief Executive and all members of the Strategic Leadership Board (SLB)	Within these rules the term “Chief Officer” shall be deemed to include the Chief Executive and all members of the Strategic Leadership Board (SLB) and Corporate Operations Board.	Proportionality.
Para 5.1 Open Competitive Tender	<p>Tenders shall be invited after giving at least 14 days public notice in at least two of the following media stating the nature and purpose of the contract, inviting tenders and stating the last date when tenders will be accepted. However, when a tender falls under the scope of EC Public Procurement Rules, their timescales and advertising requirements shall apply (seek advice from the Council’s Procurement Officer).</p> <ul style="list-style-type: none"> • The Council’s website • Source East Midlands website, the advert will be placed on the HBBC affiliates page of Source Leicestershire and will be carried on Seven Counties websites • The local newspapers circulating in the Borough, especially where there may be local interest in the business opportunity offered • Appropriate trade journal • Appropriate national press 	<p>Tenders shall be invited after giving at least 14 days public notice in at least one of the following media stating the nature and purpose of the contract, inviting tenders and stating the last date when tenders will be accepted. However, when a tender falls under the scope of EC Public Procurement Rules, their timescales and advertising requirements shall apply (seek advice from the Council’s Procurement Officer).</p> <ul style="list-style-type: none"> • The Council’s website • Source East Midlands website, the advert will be placed on the HBBC affiliates page of Source Leicestershire and will be carried on Seven Counties websites • The local newspapers circulating in the Borough, especially where there may be local interest in the business opportunity offered • Appropriate trade journal • Appropriate national press 	Most companies now subscribe to online alerts of contracts. We have very little interest generated through alternative advertising.
Para 7 Standing Approved List	Tenders shall be invited from persons included in a list approved by the Council	Use of Standing Approved List to be withdrawn altogether.	To reflect changes in market and

	for the supply of goods or materials of specified categories values or amounts or for the carrying out of specified categories of work		procurement regulations.
Para 10.2 Form of invitation to tender and submission of tenders	The invitations to tender shall state that no tender will be considered unless contained in a unmarked plain sealed envelope and endorsed "Tender" followed by the subject to which it relates.	Tenders are to be submitted electronically through secure software designed and approved for the purpose. In the absence of such software, tenders are to be returned in hard copy (including hard electronic media such as CDs only) In that event, the invitations to tender shall state that no tender will be considered unless contained in a unmarked plain sealed envelope and endorsed "Tender" followed by the subject to which it relates .	Update in procurement practice.
Para 21. Performance Bonds	NA	New paragraph – Once the requirement of a bond has been specified within the conditions (or clarifications) of tender, any variation to this shall be agreed only by the Deputy Chief Executive (Corporate Direction) in consultation with the Executive.	To enable negotiation on this point.