

# Public Document Pack

# Blackpool Council

28 October 2016

To: Councillors Blackburn, Cain, Campbell, Cross, Jackson, Kirkland, Smith, I Taylor and Mrs Wright

The above members are requested to attend the:

## EXECUTIVE

Monday, 7 November 2016 at 6.00 pm  
in Committee Room A, Town Hall, Blackpool

## A G E N D A

### 1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

- (1) the type of interest concerned; and
- (2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

- 2 **CONSTITUTIONAL CHANGES** (Pages 1 - 124)
- 3 **SOCIAL VALUE POLICY** (Pages 125 - 148)
- 4 **BLACKPOOL TRAMWAY EXTENSION TO BLACKPOOL NORTH STATION (SECOND REPORT)** (Pages 149 - 156)
- 5 **ACQUISITION OF PROPERTIES- 2, 4, 6 AND 8 LEOPOLD GROVE** (Pages 157 - 164)
- 6 **TREASURY MANAGEMENT HALF-YEARLY PROGRESS REPORT TO 30 SEPTEMBER 2016** (Pages 165 - 188)
- 7 **FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2016/17** (Pages 189 - 192)

**Venue information:**

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

**Other information:**

For queries regarding this agenda please contact Lennox Beattie, Executive and Regulatory Manager, Tel: (01253) 477157, e-mail [lennox.beattie@blackpool.gov.uk](mailto:lennox.beattie@blackpool.gov.uk)

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at [www.blackpool.gov.uk](http://www.blackpool.gov.uk).

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officers:</b>	Mark Towers, Director of Governance and Partnerships and Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting :</b>	7 November 2016

## CONSTITUTIONAL CHANGES

### 1.0 Purpose of the report:

- 1.1 To seek the necessary approvals to update the :-
- Council's constitution to reflect the Council's future direction.
  - Council's Scheme of Delegation and Financial Regulations to reflect realistic approval limits.

### 2.0 Recommendation(s):

- 2.1 To recommend Council:
- To agree the revised Petitions Scheme at Appendix 2a.
  - To approve the revised definition for a key decision, as set out in paragraph 5.2.3.
  - To agree the amendment to the Executive Procedure Rules set out at paragraph 5.2.5.
  - To approve the revised Contracts Procedure Rules at Appendix 2b.
  - To approve the amendment to the Protocol on Member / Officer Relations as set out at paragraph 5.5.2 and the revised Protocol at Appendix 2d.
- 2.2 To agree the Executive decision making criteria as set out in Appendix 2c.
- 2.3 To agree the revised Financial Regulations at Appendix 2e.
- 2.4 To agree the revised Corporate Scheme of Delegation at Appendix 2f.

### **3.0 Reasons for recommendation(s):**

3.1 It is considered timely to report to Council on these proposals following this annual review of the constitution. The proposed changes will add clarity and consistency to the ways of working of the Council. The change to financial thresholds for Executive decisions and will allow the speedy acquisition of property/land and easier intervention in terms of support for small and medium sized businesses. Decisions delegated to officers will be of a level reflecting the regular payments made by the Council.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To make different recommendations to Council on these proposals.

### **4.0 Council Priority:**

4.1 The proposals in particular help the Council achieve the priority 'The economy: Maximising growth and opportunity across Blackpool.'

### **5.0 Background Information**

#### **Petitions Scheme**

5.1.1 The current petition scheme has been in place since 2012. The new scheme – attached at Appendix 2a, aims to be more reader-friendly and offers alternatives for residents to 'have their say', including options such as contributing suggestions through the Council's website and taking part in consultations.

5.1.2 The revised scheme also clarifies a number of arrangements, such as the inclusion of petitions in any ongoing consultations, exceptions to the petition scheme, outlines the process for if an organiser feels that a petition has not been dealt with properly and now also includes a privacy policy section.

#### **Key decision definition**

5.2.1 In February 2016, the Council at its budget meeting agreed to inject new resources into key areas of the Authority to enable it to drive increases in recurrent revenue

generation, in particular through property-led investments and development. This 'growth and prosperity' initiative is a direct response to Government's financial relocalisation agenda, with central grant funding withdrawn by 2020-2021. It is now essential that Councils take the lead in growing their own revenue base, including Council Tax and Business Rates in particular. The Council intends to take a more proactive approach to generating new revenue via property-based development, thereby increasing its tax base to ensure the longer term financing of public services, and also contributing directly to the continued economic development of the town.

5.2.2 A proposed change to facilitate this new approach is alterations to the decision making thresholds for property and land purchases. The Director of Place has undertaken research on the approaches neighbouring authorities are taking to financial relocalisation. Blackburn with Darwen Borough Council, for example, is working in close partnership with Capita to pursue a similar growth agenda, targeting property based development to increase longer term tax yields.

5.2.3 Currently the purchase of property or land up to £199,999 can be made as a significant officer decision as long as it is at or below market value. Any purchases between £200,000 and £249,999 form a Cabinet Member decision with the key decision threshold at £250,000.

In line with the limits now used by the Blackburn with Darwen scheme it is recommended that property or land up to £499,999 can be made as a Cabinet Member non-key decision subject to it being at or below market value. As is currently the case, all property will be valued by a Registered Valuer (either internal or external to the Council depending on the property) to establish the market value via a Red Book valuation. Only in very rare circumstances would the Council consider paying over the recommended market value, and in this event the proposed purchase would need to be accompanied by a compelling business case prior to any decision being taken. Any purchases over £499,999 would therefore be a key decision.

5.2.4 It is also proposed that the £499,999 threshold is applied in the same as above to the Blackpool Investment Fund. This Fund, originally made up of interest and repayments from existing Council business loans, and monies from the High Street Innovation Fund, aims to support small and medium sized enterprises that are not achieving high levels of growth, or are striving to maintain turnover and market share, through offering attractive rates of financial support.

5.2.5 The updated definition for a key decision would therefore read as follows:

An Executive decision will be a key decision if it comes within any of the following categories:

a) It involves expenditure or savings (including receipt of or loss of

income) of £250,000 or over in relation to the budget for the service or function to which it relates, but excludes any decision:

- taken as a consequence of the Council's Treasury Management Strategy for the current financial year;
  - taken as a direct consequence of an earlier key decision;
  - involving the purchase of property or land unless the amount is £500,000 or over and only then if it is at market valuation
  - involving the grant of loans, including those under the Blackpool Investment Fund, unless the amount is £500,000 or over
  - identified within the Council's agreed Budget for the current financial year where there is a clear intention of the decision to be taken.
- b) It is likely to have a significant positive or negative impact on the people living or working in an area comprising two or more wards.
- c) It makes recommendations on the Council's Policy and Budget Frameworks.
- d) If the decision is to approve a 'plan or strategy', reserved for Executive approval only, as set out in the constitution.

The other parts of the Executive decision making criteria have had some minor changes (name changes etc) but not to alter the understanding of them. These are attached at Appendix 2a.

### 5.3 Executive Procedure Rules

5.3.1 The Executive Procedure Rules in part 4d of the Constitution currently state at paragraph: 3.1.1 "If the Leader of the Council is present he/she will preside. In his/her absence, the Deputy Leader of the Council shall preside. If neither is present, a person appointed to do so by those present shall preside." In order to bring parity to the current Executive makeup, it is proposed to include reference to the Cabinet Secretary.

5.3.2 Therefore a revised paragraph would read: 3.1.1 "If the Leader of the Council is present he/she will preside. In his/her absence, the Deputy Leader of the Council shall preside. If neither is present, the Cabinet Secretary shall preside. If none of these are present then a person appointed to do so by those present shall preside."

### 5.4 Contracts Procedure Rules

5.4.1 A review has also been undertaken into the Contracts Procedure Rules. No changes have been made to existing financial thresholds, however, the revised version (see Appendix 2b) is written in a more user friendly manner.

## 5.5 Protocol on Member/Officer Relations

5.5.1 As part of this review of the Constitution it is also considered prudent to revise the Protocol on Member/Officer Relations on a 'light touch' basis to make it more user-friendly.

5.5.2 The current Protocol states that routine service-related enquiries should be initiated whenever possible through the electronic member enquiry system and that in normal circumstances a full response will be given within five working days. Given the Council's move towards digital services as part of the 'Channel Shift' programme, it is suggested that the Protocol is amended to include reference to online reporting through the Council's website. Furthermore, with diminishing Council services and the impact that this has on services' ability to respond, it is also recommended that the response time for ward enquiries is changed to ten working days. The requirement for Chief Officers to maintain separate records of enquiries has also been removed as has the need for annual review of the Protocol.

5.5.3 A revised version of the Protocol in line with the above amendments is attached at Appendix 2d

## 5.6 Financial Regulations and Scheme of Delegation

5.6.1 At the same time as the other reviews listed above there has been the opportunity to review the Council's Financial Regulations and Corporate Scheme of Delegation. While no major changes have been proposed some minor amendments have been made to reflect changes in the officer structure and to reflect the level of contract payments made on large scale payments such as Waste PFI and the Better Care.

5.7 Does the information submitted include any exempt information? No

## 5.8 **List of Appendices:**

Appendix 2a – Revised Petitions Scheme

Appendix 2b – Revised Contracts Procedure Rules

Appendix 2c – Revised Executive Decision making criteria

Appendix 2d – Revised Protocol on Member/Officer Relations

Appendix 2e – Revised Financial Regulations

Appendix 2f – Revised Reservation of Powers to the Executive and Corporate Scheme of Delegation

## 6.0 **Legal considerations:**

6.1 A Council has to have an agreed definition for a key decision, a Petition scheme and

Contracts Procedure Rules. This report again seeks to update the current definition and schemes to make them more relevant and also has revised the Executive Procedure Rules to take account of the current Executive system.

**7.0 Human Resources considerations:**

7.1 None

**8.0 Equalities considerations:**

8.1 Equality considerations would be considered as part of the decision making process when each Executive and Cabinet Member decision is taken.

**9.0 Financial considerations:**

9.1 There are no other financial considerations relating to the proposals in this report, other than changing the decision making thresholds as set out.

**10.0 Risk management considerations:**

10.1 Additional clarity over corporate governance arrangements will reduce the risk of decisions being taken at the wrong level or not properly recorded.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 Consultation has taken place with similar authorities relating to their key decision thresholds.

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 22/2016



14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 28 October 2016 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

# Appendix 2a Petitions Scheme

Blackpool Council



# Petitions Scheme

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# Petitions Scheme

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## Introduction

Blackpool Council welcomes petitions and recognises that they are one of many ways in which people can let the Council know about their concerns and participate in the democratic process. This document sets out how the Council will deal with petitions that meet the criteria set out in the scheme.

The type of petition determines how a petition will be responded to. There are two types of petitions:

- Ordinary petitions requiring at least 50 signatures
- Petitions for debate at full Council requiring at least 1,500 signatures

More detail about how the Council will respond to each of these is found on page 5 of this scheme.

If something is clearly intended to be a petition but does not meet the requirements set out in this scheme, we will ask the relevant service area to provide a response directly to the petition organiser.

Paper petitions can be sent to:

Democratic Governance  
Blackpool Council  
PO Box 4  
Blackpool  
FY1 1NA

Petitions can also be created, signed or submitted online by following this link:

[www.blackpool.gov.uk/Your-Council/Have-your-say/Petition-the-Council](http://www.blackpool.gov.uk/Your-Council/Have-your-say/Petition-the-Council)

**Please ensure you read the full scheme prior to submitting a petition to the Council.**

If after reading the scheme you no longer feel a petition is the most appropriate avenue for your communication, there are a number of other ways in which you can have your say including:

- Writing to the appropriate Cabinet Member or Senior Officer
- Contacting your local Councillor
- Making a suggestion through the Council's website
- Responding to consultation
- Speaking at meetings of the Council, Planning Committee, Scrutiny Committees etc. Please see the Council's website.

Visit the Council's website for further information:  
[www.blackpool.gov.uk](http://www.blackpool.gov.uk)

# Petitions Scheme

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## What is a petition?

We treat as a petition any communication which is signed by or sent to us on behalf of a number of people.

## Who can submit a petition?

Anyone who lives, works or studies in Blackpool can organise or sign a petition. The Council would also consider a petition from visitors to Blackpool on a subject that was connected with one of our visitor attractions.

## What should a petition contain?

- A clear statement of your concerns and what action you would like the Council to take. If this is not clear we may need to return the petition to you for further clarification. This also should include whether it is an ordinary petition or full Council debate.
- The name and contact details of the “petition organiser” or someone to whom you would like any correspondence about the petition to be sent. The petition organiser should not be an MP or Councillor of Blackpool Council.
- The name, address and signature of any person supporting the petition. If the details of any person are not clear then these may not be counted towards the total number.

## What can a petition be about?

Petitions should relate to a matter which is relevant to the functions of the Council or where the Council has influence.

## Exceptions to the Petitions Scheme

The majority of petitions we receive will be accepted but there are some circumstances where we will not be able to deal with your petition under this scheme. Petitions that fall outside of this scheme include:

- Any matter that the Council is not directly responsible for or has no influence over. We will return the petition to you and where possible direct you to the correct organisation.
- Any matter relating to a planning decision. For further information about making representations about planning decisions, please contact [planning@blackpool.gov.uk](mailto:planning@blackpool.gov.uk)
- Any matter relating to a licensing application. For further information about making representations please contact [licensing.la2003@blackpool.gov.uk](mailto:licensing.la2003@blackpool.gov.uk)
- A statutory petition (for example a petition for a directly elected Mayor)
- Any matter where there is already an existing right of appeal or a separate complaints process, such as council tax banding and non-domestic rates.
- Any specific issue that the Council is carrying out a formal consultation on. Please see page 7 for further information regarding how we will deal with your petition in this circumstance.
- A petition where we have received another petition on the same issue within the previous two years. In these circumstances, we will write to the petition organiser and include a copy of the response to the first petition received.
- Any petition we consider to be vexatious, abusive or otherwise inappropriate. You should not include confidential information or potentially libellous, false or defamatory statements or statements which cause personal offence, distress or loss.
- Any petition that is asking the Council to do anything unlawful or relating to the subject of any legal action taken by the Council or individual.

# Petitions Scheme

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## Types of petition and numbers of signatures required

How we deal with your petition depends on which type of petition you submit:

### Ordinary Petitions

To be considered valid, a petition should contain at least 50 signatures. If your petition contains less than 50 signatures but you are able to demonstrate that, in relation to a particularly local issue of concern, it was simply not possible to obtain 50 signatures, the Council may still consider your petition under this scheme.

If your petition is accepted as an 'ordinary petition' you will receive an acknowledgement within 10 working days of receipt and be advised of the action being taken with regards to your petition.

In most circumstances an ordinary petition will be submitted to the appropriate Cabinet Member and senior officer for consideration. You will receive a response to your petition from the relevant officer or Cabinet Member within four weeks of receipt. If more time is required, the petitioner will be contacted with a new deadline for response and the reasons why.

### Petitions for debate at full Council

If a petition contains 1,500 valid entries the petitioner has the right to ask that the petition is debated by full Council. This means that the issue raised in the petition will be discussed at a meeting where all councillors can attend, if the petition organiser wishes to take this opportunity.

If your petition is accepted as a 'petition for debate at full Council' you will be contacted within 10 working days of submission and will be advised of the process to be taken at the Council meeting.

The Council will aim to consider the petition at its next ordinary meeting, although on some occasions this may not be possible and consideration will then take place at the following meeting. Petition debates will not take place at the Council's budget setting or annual meetings.

Petition organisers are welcome to present their petition at full Council up to a maximum of five minutes. Councillors will then debate the petition subject to a maximum of 20 minutes.

The Council will decide how to respond to the petition at the meeting. It may decide to take the action the petition requests, take no further action or to request further investigation into the matter. If the issue is one that requires the Executive to make the final decision, the Council will decide whether to make recommendations to inform that decision.

## All petitions

No matter the type of petition the petition organiser will receive an acknowledgement letter within 10 working days of receipt setting out the action being taken in relation to the petition.

When a petition is received which relates to a local matter (particularly affecting specific electoral wards) a copy of the petition will be sent to each relevant ward councillor at the same time as acknowledging receipt of the petition to the petition organiser.

It may be inappropriate for the Council to deal with certain petitions during periods when it is subject to restrictions, such as immediately before elections or referendums. In these circumstances, the petition organiser will be informed when the petition will be considered, or when any material relating to it will be published on the Council's website. In this circumstance we will contact you within 10 working days to explain the situation to you.

# Petitions Scheme

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If your petition falls outside of the criteria of the scheme it will be treated as correspondence and sent to the relevant service area for a response. The relevant senior officer will have discretion and flexibility to decide how to reply to this correspondence so that they are able to take appropriate action to respond to the request.

## How to submit a petition

You can submit a petition either as a paper petition to the following address:

Democratic Governance  
Blackpool Council  
PO Box 4  
Blackpool  
FY1 1NA

or by using the Council's e-petition facility:

[www.blackpool.gov.uk/Your-Council/Have-your-say/Petition-the-Council](http://www.blackpool.gov.uk/Your-Council/Have-your-say/Petition-the-Council)

## E-Petitions

The Council welcomes e-petitions that are created and submitted through our website. E-petitions must follow the same guidelines as paper petitions.

The petition organiser will need to provide the Council with their name, postal address and email address. Unless otherwise agreed following discussions with the petition organiser, an e-petition will remain open for signatures for a period of 90 days.

When an e-petition is created, it may take up to five working days before it is published online. This is because checks will need to be made on the suitability of the content matter before it is made available for signatures. If the petition falls outside the scheme you will be advised and are welcome to submit a revised version. If the petition does not fall within the scheme it will not be published on the Council's website.

When an e-petition has closed for signatures, it will be considered as part of this petitions scheme.

## Joint Petitions

Petitions can also be made up of both paper and electronic and must follow the rules for both types of petition. The submission of signatures on paper must take place prior to the closing date of the e-petition and the petition organiser must state on both the paper petition and e-petition that it is a joint petition.

## How do I sign an e-petition?

When you sign an e-petition you will be asked for your name, postcode and a valid email address. When you have submitted this information you will be sent an email with a link that you must click in order to validate your email address and petition signature.

## Further information

### How will the Council deal with petitions relating to ongoing consultations?

If the Council receives a petition about an issue that it is already consulting with residents about, the petitions scheme will be suspended for that petition. All petitions received that relate to the subject of a formal consultation will automatically be incorporated into the formal consultation process at the earliest stage possible. Petition organisers will be informed of this course of action within 10 working days.

Sometimes we receive petitions after the consultation deadline has passed but before a final decision has been taken. In these circumstances the decision maker will be asked to take your petition into consideration when they make the decision.

All petitions received after a decision has been taken on a matter that the Council has previously consulted residents on will not be considered under the scheme but will be passed to the relevant senior officer to respond.



# Petitions Scheme

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## What happens after the petition is submitted?

We will send an acknowledgement letter within 10 working days of receipt to the petition organiser. This acknowledgement will also say as much as we can at that stage of about what we have done or plan to do. If your petition meets the requirements for a debate at a scrutiny committee or Council you will also be informed of the process for this.

## Other reasons your petition may be rejected

The specific criteria for the petitions scheme are set out earlier in this guidance. If a petition does not meet the criteria it will not be considered under the scheme. If we are unable to consider your petition using the scheme we will send an acknowledgement letter within 10 working days of receipt to the petition organiser setting out the reasons why and what action we can take, if any, in response to your submission.

Outside the general exceptions there are several reasons why a petition may be rejected, including but not exclusively:

- the petition statement is not clear
- the subject matter of the petition is not within the remit of the Council
- the entries contain incomplete or invalid information such as no full address

## What can I do if I feel my petition has not been dealt with properly?

If you are unhappy with the way that your petition has been processed, you can submit a complaint to the Council via the Corporate Complaints scheme.

You can find more guidance at [www.blackpool.gov.uk/Your-Council/Have-your-say/Comments-compliments-and-complaints](http://www.blackpool.gov.uk/Your-Council/Have-your-say/Comments-compliments-and-complaints)

## Will my paper petition be published on the Council's website?

Yes, if your petition is accepted under the scheme an overview of it will be published on the Council's

website together with any updates regarding action taken, or being taken in respect of the petition. We aim to publish petitions on our website within 10 working days of receipt.

If you create an e-petition using the Council's facility this will be published on the website as soon as it has been checked for suitability.

Petitions are presented on the website in the order in which they are received. Details of petitions received will be kept on the website for up to two years from the date of receipt unless subject to further appeal or other action.

## Will the Council check each signature?

The Council reserves the right to seek to verify each signature appended to a petition. This can be significant when establishing whether a petition has obtained the requisite number of signatures to trigger a specific process.

## Privacy Policy

The details you provide when signing a paper or e-petition are needed to validate your support. For paper petitions no personal details will be included on the website, for e-petitions only your name will be listed. The Council may contact you in relation to any petitions you have signed, unless you have requested not to be contacted when signing the petition.

Blackpool Council is the data controller for personal information collected in respect of both the Council's E-petition facility and for paper petitions.

Your personal information will not be shared outside of the Council, unless otherwise required to by law.

Paper petitions will be scanned and stored securely in electronic format and will be deleted after 12 months unless subject to further appeal or other action.

# Petitions Scheme

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## Document Control

Issued by:	
Last edited:	

## **Part 4g**

# **Contract Procedure Rules**

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- Rule 21: Managing contracts
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## Definitions

<b>Term</b>	<b>Definition</b>
<i>Authorised Signatory</i>	An officer authorised by the Head of Procurement & Projects and/or Chief Solicitor in accordance with the Council's constitution to sign a contract or the Council's seal.
<i>Award Criteria</i>	The criteria by which the successful Quotation or Tender is to be selected (see further Rules 8 and 13.2(e).
<i>Award Procedure</i>	The procedure for awarding a contract as specified in Rules 6, 8, and 13.
<i>Best Value</i>	The duty, which Part I of the Local Government Act 1999 places on local authorities, to secure continuous improvement in the way in which functions are exercised, having regard to a combination of economy, efficiency and effectiveness as implemented by the Council.
<i>Candidate</i>	Any person who asks or is invited to submit a Quotation or Tender.
<i>Chief Officers/Directors</i>	The Officers defined as such in Part 7b of the Constitution.
<i>Chief Solicitor</i>	As identified in the Constitution
<i>Chief Financial Officer</i>	The Council's Treasurer (Section 151 Officer) or such other Officer as may be designated by the Treasurer by the Council.
<i>Code of Conduct</i>	The code of conduct for employees as set out from time to time in the Constitution.
<i>Constitution</i>	The constitutional document approved by the Council of which those Contract Procedure Rules form part issued under Section 9P of the Local Government Act 2000.
<i>Consultant</i>	Specialist advisers engaged to provide services to the Council.
<i>Contracting Decision</i>	Any of the following decisions: <ul style="list-style-type: none"> <li>• withdrawal of Invitation to Tender</li> <li>• whom to invite to submit a Quotation or Tender</li> <li>• shortlisting</li> <li>• award of contract or Framework Agreement</li> <li>• any decision to terminate a contract.</li> </ul>
<i>Corporate Contract</i>	A contract let by the Council's Corporate Procurement & Projects Team to support the Council's aim of achieving Value for Money.
<i>Corporate Procurement &amp; Projects Team</i>	The Council's central procurement unit charged with providing strategic direction and advice to secure Value for Money in the Council's procurement activities.

<b>Term</b>	<b>Definition</b>
<i>Council's Commissioning &amp; Procurement Strategy</i>	The document setting out the Council's approach to procurement and key priorities for the next few years.
<i>Code of Practice for Tendering and Contracts and any other Procurement Guides or Procedures</i>	Any guidance documents issued from time to time by the Head of Procurement and Projects that support the implementation of these contract procurement rules. These guides are available on the Council's intranet.
<i>European Economic Area</i>	The members of the European Union, and Norway, Iceland and Liechtenstein
<i>Executive</i>	The Council's Executive as defined in the Constitution
<i>Financial Regulations</i>	The Council's financial regulations outlining Officer responsibilities for financial matters prepared by the Chief Financial Officer and becoming part of the Constitution.
<i>Framework Agreement</i>	An agreement between one or more authorities and one or more economic operators, the purpose of which is to establish the terms governing contracts to be awarded during a given period, in particular with regard to price and, where appropriate, the quantity envisaged
<i>Government Procurement Agreement</i>	The successor agreement to the General Agreement on Trade and Tariffs. The main signatories other than those in the European Economic Area are the USA, Canada, Japan, Israel, South Korea, Switzerland, Norway, Aruba, Hong Kong, China, Liechtenstein and Singapore.
<i>Head of Procurement and Projects</i>	The officer with responsibility for leading the Corporate Procurement Service.
<i>High Profile</i>	A high-profile purchase is one that could have an impact on functions integral to Council service delivery should it fail or go wrong.
<i>High Risk</i>	A high-risk purchase that is in the opinion of the Chief Financial Officer and/or the Head of Procurement and Projects one which presents the potential for substantial exposure on the Council's part should it fail or go wrong.
<i>High Value</i>	A high-value purchase is where the value exceeds £85,000 (goods & services), and £250,000 (works).
<i>Invitation to Tender</i>	Invitation to tender documents in the form required by these contract procedure rules.
<i>Key Decision</i>	Decisions that are defined as key decisions in the Access to Information Rules in Part 4 of the Constitution.
<i>Non-Commercial Considerations</i>	(a)The terms and conditions of employment by contractors of their workers or the composition of, the arrangements for the

<b>Term</b>	<b>Definition</b>
	<p>promotion, transfer or training of or the other opportunities afforded to, their workforces ('workforce matters').</p> <p>(b) Whether the terms on which contractors contract with their sub-contractors constitute, in the case of contracts with individuals, contracts for the provision by them as self-employed persons of their services only.</p> <p>(c) Any involvement of the business activities or interests of contractors with irrelevant fields of government policy.</p> <p>(d) The conduct of contractors or workers in industrial disputes between them or any involvement of the business activities of contractors in industrial disputes between other persons ('industrial disputes').</p> <p>(e) The country or territory of origin of supplies to, or the location in any country or territory of the business activities or interests of, contractors.</p> <p>(f) Any political, industrial or sectarian affiliations or interests of contractors or their directors, partners or employees.</p> <p>(g) Financial support or lack of financial support by contractors for any institution to or from which the authority gives or withholds support.</p> <p>(h) Use or non-use by contractors of technical or professional services provided by the authority under the Building Act 1984 or the Building (Scotland) Act 1959.</p> <p>Workforce matters and industrial disputes, as defined in paragraphs (a) and (d), cease to be Non-Commercial Considerations to the extent necessary or expedient to comply with Best Value; or where there is a transfer of staff to which the Transfer of undertakings (Protection of Employment) Regulations 2006 (TUPE) may apply</p>
<i>Parent Company Guarantee</i>	A contract which binds the parent of a subsidiary company whereby if the subsidiary company fails to do what it has promised under a contract with the Council, the Council can require the parent company to do so instead.
<i>Quotation</i>	A quotation of price and any other relevant matter (without the formal issue of an Invitation to Tender).
<i>Relevant Contract</i>	Contracts to which these contract procurement rules apply (see Rule 6).
<i>Senior Officer/Officer</i>	The Senior Officer/Officer designated by the Chief Officer/Director to deal with the contract in question.

<b>Term</b>	<b>Definition</b>
<i>Shortlisting</i>	The process of selecting Candidates who are to be invited to quote or bid or to proceed to final evaluation.
<i>TED</i>	EU Portal Tenders Electronic Daily, the European Union's Procurement portal.
<i>TUPE / Transfer of Undertakings (Protection of Employment) Regulations 2006 (SI 2006 No.246)</i>	Subject to certain conditions, the regulations applying where responsibility for the delivery of works or services for the authority is transferred from one organisation (eg private contractor, local authority in-house team) to another (eg following a contracting out or competitive tendering process) and where the individuals involved in carrying out the work are transferred to the new employer. These regulations seek to protect the rights of employees in such transfers, enabling them to enjoy the same terms and conditions, with continuity of employment, as existed with their former employer. Broadly, TUPE regulations ensure that the rights of employees are transferred along with the business.
<i>UK Government Contracts Finder Website</i>	Central Government's portal for publishing contract opportunities and contract awards.
<i>Value for Money</i>	Value for money is not the lowest possible price; it is the most economically advantageous proposal that combines goods or services that fully meet the needs, with the level of quality required, delivery at the time required, and at an appropriate price



## A brief guide to Contract Procedure Rules

These contract procedure rules (issued in accordance with section 135 of the 1972 Local Government Act) are intended to promote good purchasing practice and public accountability and deter corruption. These Rules are to be subject to, and interpreted in accordance with the Articles and any other provisions of the Council's Constitution.

Officers responsible for purchasing must comply with these contract procedure rules. They lay down minimum requirements for every contract made by the Council for the 'execution of work' and for the 'supply of goods or services'.

For the purposes of these rules, where there is a requirement for communication to be in writing, this shall be deemed to include e-mail and fax transmissions as well as hard copy.

Key considerations for officers engaged in purchasing works, goods and services include:

- ❖ Follow the rules if you purchase goods or services or order construction or engineering work
- ❖ Take all necessary procurement, legal, financial and professional advice
- ❖ Declare any personal financial interest in a contract. Bribery and corruption is a criminal offence
- ❖ Conduct any Best Value or Service Review, and/or value for money test, and appraise the purchasing need
- ❖ Check whether there is an existing Corporate Contract, Crown Commercial Service/YPO agreement, AGMA and other joint purchasing arrangements you can make use of before undergoing a competitive process. (NB: a list of live Council contracts exceeding £5,000 in value is published on the Council's website every quarter)
- ❖ Normally allow at least four weeks for submission of bids (not to be submitted by fax or e-mail unless allowed for in the Invitation to Tender documents)
- ❖ Keep bids confidential
- ❖ Complete a written contract or Council order via one of the Council's e-ordering systems before the supply or works begin
- ❖ Identify a contract manager with responsibility for ensuring the contract delivers as intended
- ❖ Keep records of dealings with suppliers
- ❖ Assess each contract afterwards to see how well it met the purchasing need and Value for Money requirements.

## Scope of Contract Procedure Rules

### 1. Basic principles

#### 1.1 All purchasing and disposal procedures must:

- achieve Best Value for public money spent
- be consistent with the highest standards of integrity
- ensure fairness in allocating public contracts
- comply with all legal requirements
- ensure that Non-Commercial Considerations do not influence any Contracting Decision
- support the Council's corporate and departmental aims and policies
- comply with the Council's Commissioning & Procurement Strategy and other relevant policies and Codes of Practice.

### 2. Officer responsibilities

#### 2.1 Officers

2.1.1 Officers responsible for purchasing or disposal must comply with these Contract Procedure Rules, Financial Regulations, the Code of Conduct and with all UK and European Union binding legal requirements.

#### 2.1.2 Officers must:

- in line with the Duty of Social Value assess the need to deliver the service or acquire the goods in the first place
- have regard to the Code of Practice on Tendering and Contracts
- check whether a suitable Corporate Contract exists before seeking to let another contract; where a suitable Corporate Contract exists, this must be used unless otherwise determined by the Head of Procurement & Projects
- keep the records required by Rule 8
- take all necessary procurement, legal, financial and professional advice.

2.1.3 When any employee either of the Council or of a service provider may be affected by any transfer arrangement, Officers must ensure that the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE) issues are considered and obtain legal and personnel advice before proceeding with inviting Tenders or Quotations.

#### 2.2 Chief Officers/Directors

#### 2.2.1 Chief Officers/Directors must ensure:

- that their staff comply with Rule 2.1
- every contract exceeding £25,000 is entered into the Contracts Register maintained by the Head of Procurement & Projects
- dispensations are recorded under Rule 3.3
- exceptions are recorded under Rule 4.3.

2.3 The Officer must comply with the Code of Conduct and must not invite or accept any gift or reward in respect of the award or performance of any contract. It will be for the Officer to prove that anything received was not received corruptly. High standards of conduct are obligatory. Corrupt behaviour will lead to dismissal and is a crime under the Bribery Act 2010.

2.4 Officers shall comply with s117 of the Local Government Act 1972 in relation to the declaration of interest in contracts.

### **3. Dispensations**

3.1 The Executive or an Executive Member acting in pursuance of delegated powers has power to waive any requirements within these contract procedure rules for specific projects.

3.2 Dispensation shall only be granted in 'exceptional circumstances' and for reasons outside the Council's control, when, after certification by the Head of Procurement and Projects it is not possible to comply with these Rules.

3.3 An express note of any dispensation from any of the provisions of these Procedure Rules and of the circumstances by which the dispensation shall have been justified shall be recorded in accordance with Council approved Executive arrangements.

3.4 The Head of Procurement and Projects will keep a register of all Council approved dispensations.

### **4. Exceptions**

4.1 Notwithstanding the provisions of other Contract Procedure Rules, tenders and quotations shall not be required to be invited where the following exceptions apply:

- The Head of Procurement and Projects, after consultation with the relevant Chief Officer/Director and appropriate Cabinet Member, is of the opinion that the work, goods and services can only be obtained from a sole supplier or there would be no benefit to the Council in giving public notice for inviting tenders.
- It is necessary, for unavoidable operational reasons, which are identified by the Senior Officer, to extend the term of a contract, in which case such extension of contract term shall be at the discretion of the Head of Procurement and Projects.
- The contract is for the purchase or production of a work of art or museum specimen within the amount approved in the budget.
- The purchase or sale is to take place by auction or at a public fair or market and that the Head of Procurement and Projects has deemed that the Council's best interest will be served by purchase through auction and has agreed an upper limit for bids.
- The contract is for the engagement of an artiste or performer.
- The contract is applicable to "services" provided in connection with hospitality expenditure, in which case a register of such hospitality shall be kept by the appropriate Senior Officer.
- The contract is for specific work, goods or services that have been granted a standing dispensation by the Council. The Head of Procurement and Projects is to keep a register of all such dispensations.

- The Head of Procurement and Projects, after consultation with the relevant Chief Officer/Director and appropriate Cabinet Member, is of the opinion that the need for the goods services or works is so urgent that the time needed to comply with the rules would be prejudicial to the Council’s interests.
- The Head of Procurement and Projects, after consultation with the relevant Chief Officer/Director and appropriate Cabinet Member, is of the opinion that there are value for money reasons justifying a waiver.

4.2 Where a proposed contract or agreement is subject to the EU Procurement Directives, Chief Officers/Directors, and the Head of Procurement and Projects have no delegated powers. No exception under Rules 4.1 can be used if the EU Procurement Directives apply, and tenders shall be invited in accordance with the provisions of these Rules.

4.3 All exceptions, and the reasons for them, must be signed by the relevant Chief Officers/Directors, and Head of Procurement and Projects, recorded and held by the Head of Procurement and Projects. The relevant Cabinet Member must be informed of the exception.

**5. Collaborative, framework and e-procurement arrangements**

5.1 In order to secure Value for Money, the Council may enter into collaborative procurement arrangements with other local authorities, government departments, public bodies or public service purchasing consortium and may use Framework Agreements let by other local authorities, government departments, public bodies or public service purchasing consortium.

5.2 All purchases made via a local authority purchasing consortium are deemed to comply with these contract procedure rules and no exemption is required. However, purchases subject to the EU Procurement Directives must be let under the EU Procurement Directives, unless the consortium has satisfied this requirement already by letting their contract in accordance with the EU Procurement Directives on behalf of the Council and other consortium members.

5.3 Advice must be sought from the Head of Procurement and Projects regarding any contracts entered into through collaboration with other local authorities or other public bodies to ensure compliance with the procurement rules.

5.4 The Council may also establish its own Framework Agreement if it represents the most appropriate procurement process. Advice must be sought from the Head of Procurement and Projects to ensure compliance with the procurement rules. Framework Agreements shall be compiled in the following manner:

- (a) Any such list shall be compiled and maintained in accordance with the Code of Practice on Tendering and Contracts, and
- (b) The term of any Framework Agreement shall not normally exceed four years
- (c) The appropriate Senior Officer may at any time amend the specified rates of a company on the framework when notified by that company in writing of the change, providing that the proposed changes are in accordance with the terms for such variations and margins agreed at the time the framework bids are accepted.

5.5 The use of e-procurement technology (eg; e-procurement orders) does not negate the requirement to comply with all applicable elements of these contract procurement rules, particularly those relating to competition and Value for Money.

**6. Relevant contracts**

6.1 All Relevant Contracts and Framework Agreements must comply with these contract procedure rules. A Relevant Contract is any arrangement made by the Council for the carrying out of works or for the supply of goods, materials or services. These include arrangements for:

- the carrying out of construction and engineering works
- the supply or disposal of goods
- the hire, rental or lease of goods or equipment, and
- the delivery of services.

6.2 Relevant Contracts do not include:

- contracts of employment which make an individual a direct employee of the Council, or
- agreements regarding the acquisition, disposal, or transfer of land which do not form part of a wider transaction under which the Council procures works, goods or services.

6.3 Where tenders are required to be invited for work or goods or services of a similar nature to that already being executed or supplied within the preceding twelve months by a contractor for the Council who was awarded business pursuant to these Contract Procedure Rules:

- (a) The appropriate Senior Officer, after consultation with the Head of Procurement and Projects and Cabinet Member, may decide that it would be to the benefit of the Council to negotiate an extension to the existing contract with the contractor or supplier concerned
- (b) The terms for such an extension shall, having regard to any variations in prices generally for work or goods or services of that nature, be no less favourable than for the contract current at the time of negotiation or the last contract undertaken, as the case may be.

Providing that:

- (i) in all cases, this does not conflict with any statutory provisions or with the European Union Procurement Directives, in which case the Procurement Directives shall prevail and tenders shall be invited in accordance with the provisions of these Rules.
- (ii) the tender shall be awarded and reported in accordance with Contract Procedure Rule 19.

6.4 Where tenders are required to be invited but the appropriate Senior Officer considers that, for reasons outside his reasonable control, the contract is required so urgently as to make it impossible to invite tenders by 'public notice', then:

- (a) The appropriate Senior Officer after consultation with the Head of Procurement and Projects and Cabinet Member, may decide to invite a tender from such person or persons who in the opinion of the appropriate Senior Officer is or are most suitable to execute the work or supply the goods or services and, such tender or tenders may be negotiated.

Providing that:

- (i) in all cases, this does not conflict with any statutory provisions or with the European Union Procurement Directives, in which case the Statute or the European Union Directives shall prevail and, tenders shall be invited in accordance with the provisions in these Contract Procedure Rules.
- (ii) The tender shall be awarded and reported in accordance with Contract Procedure Rule 19 and 20.

## Common requirements

### 7. Steps prior to purchase

7.1 The Officer must appraise the purchase, in a manner commensurate with its complexity and value, and taking into account any guidance in the Code of Practice on Tendering and Contracts, by:

- satisfying themselves that they have the necessary authority to deal with the purchase and that there is budget provision for the purchase
- taking into account the requirements from any relevant Best Value and/or Service Review appraising the need for the expenditure and its priority defining the objectives of the purchase
- assessing the risks associated with the purchase and how to manage them
- considering what procurement method is most likely to achieve the purchasing objectives, including internal or external sourcing, partnering, packaging strategy and collaborative procurement arrangements with another local authority, government department, statutory undertaker or public service purchasing consortium
- consulting users as appropriate about the proposed procurement method, contract standards and performance and user satisfaction monitoring drafting the terms and conditions that are to apply to the proposed contract
- where the purchase is to be funded from mainstream capital or regarded as capital by the Chief Financial Officer it is submitted to the Chief Financial Officer or his nominated representative for comment as soon as practicable
- where the contract value exceeds £85,000 (goods and services) or £250,000 (works) ensure that the tender process is managed by the Head of Procurement and Projects or his nominated representative.

and by confirming that:

- there is Cabinet Member or delegated approval for the expenditure and the purchase accords with the approved policy framework and scheme of delegation as set out in the Constitution
- if the purchase is a Key Decision, all appropriate steps have been taken.

## 8. The process & records

### 8.1 Classification of Contracts

8.1.1 Every contract proposed to be let by the Council shall be classified as either

- (a) A contract for the execution of work, or
- (b) A contract for the supply of goods or services and
- (c) As either High Value or Low Value in each classification, in accordance with the Financial Limits for Contracting as set out in the Council's Financial Regulations.

8.1.2 Where the Total Value of the contract is less than £85,000 (goods and services) or £250,000 (works), the contract will be categorised as **Low Value** and the following process to secure a minimum of three competitive quotations is considered appropriate and must be followed:

- (a) The process of obtaining quotations must comply with the corporate 'Code of Practice on Tendering and Contracts'. Quotations must be in writing and be obtained from contractors, which, in the course of their normal business, supply the type of goods or materials or execute the type of work required to be done
- (b) Where possible, a minimum of two quotations must be provided by local suppliers (FY postcode)
- (c) Where the contract value exceeds £25,000 and the Senior Officer wishes to seek quotations from the open marketplace the quotation must be advertised on Contracts Finder. In these circumstances the Head of Procurement & Projects or his nominated representative must be contacted for advice and support
- (d) The contract should be awarded to the contractor submitting the 'most economically advantageous' quotation that represents best value for money for the Council. The Senior Officer shall be responsible for settling the contract terms and prices in consultation with the Head of Procurement and Projects, who shall keep a register of all contracts awarded.

8.1.3 The requirement to obtain three competitive quotations (as detailed in 8.1.2 above) shall not apply when:

- (a) Corporate contract exists for the type or range of work, goods or services required, such contract having been itself established by the Head of Procurement and Projects in accordance with the provisions of these procedure rules. In such case, purchase orders shall be placed with the nominated contractor, without the requirement for further competition.

- (b) The Head of Procurement and Projects, in consultation with the Senior Officer, is of the opinion that it is not possible to obtain three quotations; or there would be no benefit to the Council in obtaining competitive bids (as in the case of sole supply, specialised repairs, parts, plant and materials or specialist professional services or in cases of extreme urgency). The decision must be confirmed in writing and recorded.
  - (c) The work or service to be executed constitutes an extension of an existing contract on terms which, having regard to any variations in prices generally for work or goods or services of that nature, are no less favourable than for the contract current at the time of negotiation. Such an extension must be approved by the appropriate Senior Officer after consultation with the Head of Procurement and Projects.
  - (d) The requirement is exempt under the provisions of Contract Procedure Rule 4.1.
- 8.1.4 Although under the provisions of Contracts Procedure Rule 8.1.3 there is no requirement for three competitive quotations to be obtained:
- (a) the quotation, which it is intended to accept, shall be made in writing
  - (b) the Senior Officer remains responsible for securing value for money, probity and accountability and periodically "testing the market" for such items in order to ensure that the best terms reasonably available are being secured.
- 8.1.5 Purchase Orders, (via one of the Council's e-ordering systems) should be placed (subject to budgetary provision) and payment made, in accordance with the Council's Financial Regulations and the corporate 'Code of Practice on Tendering and Contracts'.
- 8.1.6 Where the Total Value of the contract exceeds £85,000 (goods and services) or £250,000 (works), the contract will be categorised as **High Value** and the following tender process is considered appropriate and must be followed. (NB: All high value tenders must be procured through the Corporate Procurement & Projects Team):
- (a) A clear business case exists for the procurement and finance is approved in accordance with the Council's Commissioning and Procurement Strategy and Financial Regulations
  - (b) The tender is advertised and public notice has been given
    - (i) via the Council's e-tendering system and Contracts Finder where the contract value exceeds £25,000;
    - (ii) in one or more local newspapers circulating in the Borough; and where appropriate, in one or more newspapers or journals circulating among such persons as undertake such contracts, and;
    - (iii) where required by law (>£164,176 goods & services / £4,104,394 works wef 1/1/16), in the Official Journal of the European Union in a manner that complies with European Union advertising rules. (NB: monetary value thresholds are reviewed every two years);



- (iv) expressing the nature and purpose thereof, inviting tenders for its execution, and stating the last time for delivery (receipt) of tenders which shall be at a time and date specified, not being less than 10 days from the date of publication of the notice.

8.1.7 All tenders received shall be opened in accordance with Contract Procedure Rule 15.

8.1.8 Contract Procedure Rule 8.1.5 shall not apply where:

- (a) there is an invitation to negotiate a tender in accordance with the provisions in Contract Procedure Rule 6.3 and Contract Procedure Rule 6.4, or to any tender negotiated following such an invitation.

8.1.9 Records required by clause 8.1.6 and 8.1.8 must be kept for six years after the end of the contract.

## **9. Advertising and framework agreements**

### **9.1 Identifying and Assessing Potential Candidates**

9.1.1 Officers shall ensure that, where proposed Relevant Contracts or Framework Agreements, irrespective of their Total Value, might be of interest to potential Bidders located in other member states of the EU, a sufficiently accessible advertisement is published. Generally, the greater the interest of the arrangement to potential bidders from other member states, the wider the coverage of the advertisement should be. Examples of where such advertisements may be placed include:

- the Council's e-tendering portal The Chest
- portal websites specifically created for contract advertisements (such as the UK Government Contracts Finder website)
- a local or national newspaper or specialist publication
- national official journals, or the Official Journal of the European Union (OJEU)/ Tenders Electronic Daily (TED) (even if there is no requirement within the EU Procedure).

9.1.2 When using a procurement portal provider (ie The Chest) the information must also be published on the UK Government Contract Finder website within 24 hours of when it is first advertised where the contract value exceeds £25,000. Officers should ensure that key information such as contract authority name, contract title and description are presented consistently across platforms (eg between TED, The Chest and Contracts Finder).

9.1.3 Officers are responsible for ensuring that all Bidders for a Relevant Contract or Framework Agreement have the necessary:

- economic and financial standing
- technical ability and capacity, and
- relevant licences and accreditations (where applicable)
- to fulfil the requirements of the Council.

9.2 Framework Agreements

9.2.1 The term of a Framework Agreement which is subject to the EU Procurement Directives must not exceed four years save in exceptional cases duly justified, in particular by the subject matter of the Framework Agreement and Framework Agreements may be entered into with one or several providers.

9.2.2 Where a Framework Agreement is concluded with a single provider contracts let under that Framework agreement shall be awarded within the limits of the terms specified in the Framework Agreement.

Where a Framework Agreement is concluded with more than one provider contracts based on that Framework Agreement shall be awarded as follows:

- (i) direct award without re-opening competition where all the terms governing the provision of the works/services/supplies concerned are set out in the Framework Agreement and the objective criteria for determining which party shall perform the contract are identified in the Framework Agreement or
- (ii) where the Framework Agreement sets out all the terms governing the provision of the works/services/supplies concerned and where the Framework Agreement states that it may be used, partly by direct award and partly by reopening competition provided that the Framework Agreement sets out the objective criteria which will be used to determine whether a contract will be placed by a re-opening of competition or by direct award or
- (iii) where the Framework Agreement does not include all the terms governing the provision of the works/services/supplies concerned, by holding a mini-competition with the providers which are party to the Framework Agreement.

**Conducting purchase and disposal**

**10. Competition requirements for purchase, disposal and partnership arrangements**

10.1 Purchasing – Competition Requirements

10.1.1 Having determined the classification of the contract as detailed at Rule 8.1 the Officer must calculate the Total Value of the contract. The following procedures apply where there are no other procedures which take precedence. Other procedures may include agency agreements with government. If in doubt, Officers must seek the advice of the Head of Procurement and Projects.

10.1.2 Subject to Rule 10.1.4 where the Total Value for a purchase is within the values in the first column below, the Award Procedure in the second column must be followed.

Total Value	Award Procedure
Low value up to £85,000 for goods and services, and £250,000 for works	At least three written Quotations, two of which must be sourced through local suppliers with an FY postcode where possible. If the contract value exceeds £25,000 and the quotation is advertised in a manner which is open to the marketplace (ie: not restricted to just 3 or more bidders) the opportunity must

Total Value	Award Procedure
	also be advertised on the UK Government Contracts Finder website within 24 hours of the opportunity being advertised in any other way
High Value above £85,000 for goods and services, and £250,000 for works and below EU thresholds	Invitation to Tender by advertisement to at least three Candidates (the opportunity must also be advertised on the UK Government Contracts Finder website within 24 hours of the opportunity being advertised in any other way)
Above EU thresholds >£164,176 – (goods & services) >£4,104,394 – (works)	EU Procedure (where advertisement required under EU Procedure the opportunity must also be advertised on UK Government Contracts Finder website)

10.1.3 The value of the contract should be calculated as follows:

- (a) where periodical payments are to be made (eg; monthly) multiply the monthly payment by the total term of the contract including any options to extend in the total term
- (b) where an undefined quantity of works, goods or services is to be executed or supplied an estimate of the total value of the contract over its entire duration based upon historical data/usage where available
- (c) A Senior Officer must not enter into separate contracts nor select a method of calculating the Total Value in order to minimise the application of these contract procedure rules.

10.1.4 Irrespective of Rule 10.1.2 Relevant Contracts and Framework Agreements that are subject to European Union grant funding requirements shall be advertised in accordance with published guidance, ERDF National Procurement Requirements (ERDF-GN-1-004) as amended from time to time.

10.1.5 Where the Total Value exceeds £25,000 the Corporate Procurement and Projects team should be consulted prior to the commencement of the procedure.

10.2 Assets for Disposal

10.2.1 Assets for disposal must be sent to public auction except where the Head of Procurement and Projects is satisfied that better Value for Money is likely to be obtained by inviting Quotations or Tenders. (These may be invited by advertising on The Chest or the Council’s web site).

10.3 Providing Services to External Purchasers

10.3.1 The Head of Procurement and Projects must be consulted where contracts to work for other organisations are contemplated and any bid, tender and contract for work shall be made in accordance with the Financial Regulations.

10.4 Collaborative and Partnership Arrangements

10.4.1 Collaborative and partnership arrangements where services/goods/works are supplied to the Council are subject to all UK and EU procurement legislation and must follow these contract procedure rules. If in doubt, Officers must seek the advice of the Head of Procurement and Projects.

10.5 The Appointment of Consultants to Provide Services

10.5.1 Consultant architects, engineers, surveyors and other professional Consultants shall be selected and commissions awarded in accordance with the procedures detailed within these contract procedure rules and as outlined below.

10.6 Contracts for Consultancy Services – Works

10.6.1 If the appropriate Senior Officer considers it in the best interests of the Council to employ consultants for specific works assignments, then the Senior Officer shall consult the appropriate Cabinet Member and provide the following information in support of the decision:

- (i) details of the services to be provided
- (ii) the duration of the employment
- (iii) the estimated costs and how those costs are to be met, and
- (iv) in the case of consultants, a recommended appointment.

10.7 Consultancy Services – Non-Works

10.7.1 If the appropriate Senior Officer, after consultation with the appropriate Cabinet Member considers it to be in the best interests of the Council to appoint consultants to carry out any investigations, feasibility study or other assignment not related to works, then a report shall be made, to the Corporate Leadership Team (contracts classed as high value) or the appropriate Chief Officers/Directors, (contracts classed as low value):

- (i) giving details of the services to be provided
- (ii) the duration of the employment
- (iii) stating the estimated costs and, after consultation with the Chief Financial Officer, how these costs are to be met
- (iv) seeking approval to proceed with the appointment of consultants.

10.7.2 Tenders or quotations shall then be invited in accordance with the provisions in these Contract Procedure Rules.

10.7.3 It shall be a condition of the engagement of the service of any consultant (not being officers of the Council) that in relation to such engagements, they shall:

- (a) comply fully with these Contract Procedure Rules

- (b) at any time during the period of the engagement, produce to the appropriate Senior Officer or authorised representative on request, all the records maintained in relation to the engagement
- (c) on completion of an engagement, transmit all such records to the appropriate Senior Officer
- (d) on completion of an engagement, transmit all work performed to the appropriate Senior Officer. Copyright and title of any work performed belongs to the Authority
- (e) The engagement of consultants must comply with the 'Code of Practice for Engaging Consultants'.

10.7.4 Irrespective of Rule 10.5.1 Relevant Contracts and Framework Agreements that are subject to European Union grant funding requirements shall be advertised in accordance with published guidance, ERDF National Procurement Requirements (ERDF–GN-1-004) as amended from time to time.

10.7.5 The engagement of a Consultant shall follow the agreement of a brief that adequately describes the scope of the services to be provided and shall be subject to completion of a formal letter or contract of appointment.

10.7.6 Records of consultancy appointments shall be maintained in accordance with Rule 8.

10.7.7 Consultants shall be required to provide evidence of, and maintain professional indemnity insurance policies to the satisfaction of the Head of Procurement and Projects for the periods specified in the respective agreement.

10.7.8 The instruction of external legal advisers must only be carried out by the Chief Solicitor and the instruction of counsel shall not be subject to the requirements of Rules 10.5.1 – 10.7.5 (inclusive).

## **11. Pre-tender market research and consultation**

11.1 The Officer responsible for the purchase:

- (a) may consult potential suppliers prior to the issue of the Invitation to Tender in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters, provided this does not prejudice any potential Candidate, but
- (b) must not seek or accept technical advice on the preparation of an Invitation to Tender or Quotation from anyone who may have a commercial interest in them, if this may prejudice the equal treatment of all potential Candidates or distort competition.

## **12. Standards and award criteria**

12.1 The Officer must ascertain the standards necessary to properly describe the subject matter of the contract having regard to any relevant British, European or international standards The Head of Procurement and Projects or the Chief Solicitor must be consulted if it is proposed to use standards other than European standards.

- 12.2 The Officer must define Award Criteria that are appropriate to the purchase and designed to secure an outcome giving Value for Money for the Council. The basic criteria shall be one of the following:
- 'lowest price' where payment is to be made by the Council
  - 'highest price' if payment is to be received, or
  - 'most economically advantageous', where considerations other than price also apply.
- 12.3 If the last criterion is adopted, it must be further defined by reference to sub-criteria which may refer only to relevant considerations. These may include price, service, quality of goods, running costs, technical merit, previous experience, delivery date, cost effectiveness, quality, relevant environmental considerations, relevant community benefit and social considerations (where permitted by UK and European Union Law and in accordance with the Council's Suppliers Charter) aesthetic and functional characteristics (including security and control features), safety, after-sales services, technical assistance and any other relevant matters. Supplier suitability assessment questions may also be asked by the Council provided such are relevant to the subject matter of the procurement, are proportionate and are used to assess whether bidders meet requirements or minimum standards of suitability, capability, legal status and financial standing. Officers shall have regard to the Code of Practice on Tendering and Contacts when defining the Award Criteria.
- 12.4 Award Criteria must not include:
- non-Commercial Considerations that are prohibited under UK and European Union law
  - matters which discriminate against suppliers from the European Economic Area or signatories to the Government Procurement Agreement.

### **13. Invitations to tender/quotations**

- 13.1 The Invitation to Tender shall state that the Council reserves the right to reject a Tender that is not received by the date and time stipulated in the Invitation to Tender. No Tender delivered in contravention of this requirement shall be considered without the Head of Procurement and Projects prior approval.
- 13.2 All Invitations to Tender shall include the following:
- (a) A specification that describes the Council's requirements in sufficient detail to enable the submission of competitive offers
  - (b) A requirement for tenderers to declare that the Tender content, price or any other figure or particulars concerning the Tender have not been disclosed by the tenderer to any other party (except where such a disclosure is made in confidence for a necessary purpose)
  - (c) A requirement for tenderers to complete fully and sign all Tender documents including a form of Tender, certificates relating to canvassing and non-collusion, and identification of any part of their submission deemed to be commercially sensitive or confidential
  - (d) Notification that Tenders are submitted to the Council on the basis that they are compiled at the tenderer's expense

- (e) A description of the Award Procedure and, unless defined in a prior advertisement (eg a Prior Information Notice), a definition of the Award Criteria in objective terms and if possible in descending order of importance
- (f) Unless the Tender is sought in accordance with an electronic tendering process which is approved by the Head of Procurement and Projects and/or the Chief Solicitor and/or which is permitted by the Invitation to Tender documents, a statement that any Tenders submitted by fax or other electronic means shall not be considered.

13.3 All Invitations to Tender or Quotations must specify the goods, service or works that are required, together with the terms and conditions of contract that will apply (see Rule 20).

13.4 The Invitation to Tender or Quotation may state that the Council is not bound to accept any Quotation or Tender.

#### **14. Shortlisting**

14.1 Shortlisting for contracts or agreements which are not subject to the EU Procurement Directives may only be undertaken where permitted by UK law. Special rules apply to Shortlisting for contracts or agreements which are subject to the EU Procurement Directives and these are set out in the EU Procurement Directives.

#### **15. Submission, receipt and opening of tenders/quotations**

15.1 Bidders must be given an adequate period in which to prepare and submit a proper Quotation or Tender, consistent with the complexity of the Council's requirement. Normally at least four weeks should be allowed for submission of Tenders. The EU Procurement Directives lays down specific time periods (see guidance in the Code of Practice for Tendering and Contracts).

15.2 All Tenders must be returned in accordance with the Invitation to Tender.

15.3 Tenders received by fax or other electronic means (e.g. email) must be rejected, unless they have been sought in accordance with an electronic tendering process which is approved by the Head of Procurement and Projects and/or Chief Solicitor and/or which is permitted by the Invitation to Tender documents.

15.4 Each Tender must be:

- suitably recorded so as to verify the date and precise time it was received
- adequately protected on receipt to guard against amendment of its contents.

#### **16. Clarification procedures**

16.1 Providing clarification of an Invitation to Tender to potential or actual Bidders or seeking clarification of a Tender, whether in writing or by way of a meeting, is permitted. However, discussions with tenderers after submission of a Tender and before the award of a contract with a view to obtaining adjustments in price, delivery or content (ie post-tender negotiations) are the exception rather than the rule. In particular, they must not be conducted in an EU Procedure where this might distort competition, especially with regard to price.

**17. Evaluation**

- 17.1 Apart from the debriefing required or permitted by these contract procedure rules, the confidentiality of Quotations, Tenders and the identity of Bidders must be preserved at all times and information about one Bidder's response must not be given to another Bidder.
- 17.2 Contracts must be evaluated and awarded in accordance with the Published Award Criteria. During this process, Officers shall ensure that submitted Tender prices are compared with any pre-tender estimates and that any discrepancies are examined and resolved satisfactorily.
- 17.3 The arithmetic in compliant Tenders must be checked. If arithmetical errors are found they should be notified to the tenderer, who should be requested to confirm or withdraw their Tender. Alternatively, if the rates in the Tender, rather than the overall price, were stated within the Invitation to Tender as being dominant, an amended Tender price may be requested to accord with the rates given by the tenderer.

**18. Post tender negotiations**

- 18.1 Post-tender negotiations under the EU Procurement Directives can only be undertaken on the grounds allowing for such specified in the EU Procurement Directives. For all other procedures if post-tender negotiations are necessary after a single-stage Tender process or after the second stage of a two-stage Tender process, then such negotiations shall only be undertaken with the tenderer who is identified as having submitted the most economically advantageous Tender and after all unsuccessful Candidates have been informed. During negotiations tendered rates and prices shall only be adjusted in respect of a corresponding adjustment in the scope or quantity included in the Tender documents. Officers appointed by the Chief Officers/Directors, to carry out post-tender negotiations should ensure that there are recorded minutes of all negotiation meetings and that both parties agree actions in writing.
- 18.2 Post-tender negotiation must only be conducted in accordance with the guidance issued by the Head of Procurement and Projects who, together with the Corporate Procurement & Projects Team, must be consulted wherever it is proposed to enter into post-tender negotiation. Negotiations must be conducted by a team of at least two officers, one of whom must be from a division independent to that leading the negotiations.
- 18.3 In the case of a submitted tender complying with the specification but exceeding the amount approved by the Executive by more than 5%, then:
- (a) the appropriate Senior Officer may negotiate a revised tender with an amended specification with the lowest tenderer and any other tenderer whom the Senior Officer considers appropriate, if to do so will bring the negotiated tender sum within 5% of the amount approved under the Financial Procedure Rules;
  - (b) the negotiated tender shall not be accepted until the Chief Financial Officer is satisfied that budget provision has been made for the additional cost.
- 18.4 If the amount of the tender proposed to be accepted exceeds the amount of the budgetary provision by more than 5%, or if there are revenue consequential not fully provided for, then, in consultation with the Chief Financial Officer a report on the scheme together with a financial statement must be submitted to the Executive or Cabinet Member who shall recommend whether or not the scheme should proceed



(above £250,000 – Key Decision Executive approval / below £250,000 Cabinet Member Non Key Executive Decision).

18.5 Where post-tender negotiation would result in fundamental changes to a Relevant Contract or Framework Agreement (such as to the specification or price) or conflict with any statutory provisions or with the European Union procurement directives which would be likely to distort competition the contract or agreement must not be awarded but re-tendered.

**19. Award of contracts and framework agreements and debriefing candidates**

19.1 Chief Officers/Directors, may accept Quotations and Tenders received in respect of proposed contracts and Framework Agreements, provided they have been sought and evaluated fully in accordance with these contract procedure rules.

19.2 Proposed contracts and Framework Agreements that are expected to be categorised as **High Value** (relating to either expenditure or income) are subject to an Officer Non-Key Decision prior to formal award of the contract to the successful Bidder.

19.3 For contracts and Framework Agreements subject to the EU Procurement Directives, the Officer must notify all Candidates simultaneously and as soon as possible of the intention to award the contract or Framework Agreement to the successful Candidate and provide information required by the EU Procurement Directives specifying the name(s) of the successful Candidate(s), the award criteria and the reasons for the decision including the score of the Candidate being debriefed and the successful Candidate(s) and the characteristics and relative advantages of the successful tender. The Officer must provide unsuccessful Candidates with a period of at least ten days (standstill period) in which to challenge the decision before the Officer awards the contract or Framework Agreement. If the decision is challenged by an unsuccessful Candidate then the Officer shall not award the contract or Framework Agreement and shall immediately seek the advice of the Head of Procurement and Projects. The requirement to notify candidates of the intention to award a contract or Framework Agreement in this Rule 19.3 does not apply to:

- contracts and Framework Agreements that are not subject to the full application of the EU Procurement Directives (such as social and other specific services listed under the EU Procurement Directives, or where the value is under the EU threshold), and;
- contracts subsequently awarded and called off based on a Framework Agreement that was let in accordance with the EU Procurement Directives.

19.4 If a Candidate requests in writing the reasons for a Contracting Decision, the Officer must give in writing the name(s) of the successful Candidate(s), the award criteria and the reasons for the decision including the score of the candidate being debriefed and the successful Candidate(s) and the characteristics and relative advantages of the successful tender within 10 days of the request. If requested the Officer must also give the debriefing information referred to in Rule 19.3 above to Candidates who were unsuccessful in a permitted pre-qualification Shortlisting process.

19.5 Publishing Contract Awards

19.5.1 For contracts and Framework Agreements subject to the EU Procurement Directives details of all contracts awarded should be published on Tenders Electronic Daily (TED).

- 19.5.2 For contracts and Framework Agreements with a contract value above £25,000 details of all contracts awarded should be published on the UK Government Contracts Finder website including those that may not have been openly advertised.
- 19.5.3 The following details must be published within a reasonable time and no later than 90 calendar days after the contract award date:
- who has won the contract (successful bidder)
  - the contract value
  - for procurements below the EU threshold indicate whether or not the winning supplier is a small business or voluntary organisation or charity.

## **Contract and other formalities**

### **20. Contract documents**

#### **20.1 Relevant Contracts**

20.1.1 All Relevant Contracts that exceed £25,000 shall be in writing.

20.1.2 All Relevant Contracts, irrespective of value, shall clearly specify:

- what is to be supplied (i.e. the works, materials, services, matters or things to be furnished, had or done)
- the provisions for payment (i.e. the price to be paid and when)
- the time, or times, within which the contract is to be performed
- the provisions for the Council to terminate the contract.

20.1.3 The Council's standard terms and conditions or standard contract forms issued by a relevant professional body must be used wherever possible.

20.1.4 In addition, every contract or agreement must also state clearly as a minimum:

- that the contractor may not assign or sub-contract without prior written consent
- any insurance requirements
- health and safety requirements
- data protection requirements, if relevant
- race relations requirements
- corrupt practices as detailed in the Bribery Act 2010
- Disability Discrimination Act requirements
- Freedom of Information Act requirements
- a right of access to relevant documentation and records of the contractor for monitoring and audit purposes if relevant
- that the Council shall pay the contractor and the contractor shall pay its subcontractors within 30 days of an undisputed invoice.

20.1.5 All contractors are expected to sign the Council's Suppliers Charter and adopt the principles therein.

20.1.6 The advice of the Head of Procurement and Projects and/or the Chief Solicitor must be sought for the following Relevant Contracts or Framework Agreements:

- where the Total Value exceeds £25,000
- those involving leasing arrangements
- where it is proposed to use a supplier's own terms, or
- those that are complex in any other way.

20.2 Contract Formalities

20.2.1 Agreements shall be completed as follows:

Total Value	Method of Completion	By
Up to £25,000	signature	Authorised Signatory/Relevant Senior Officer
Above £25,000	2 signatures	either the Head of Procurement and Projects or Chief Solicitor and the relevant Chief Officer/Director,
Works contracts above £250,000	2 signatures and sealing	Chief Solicitor or authorised representative and the relevant Chief Officer/Director,

20.3 The Officer must consult the Chief Financial Officer about whether a Parent Company Guarantee is necessary when a Candidate is a subsidiary of a parent company and:

- the Total Value exceeds £250,000, or
- award is based on evaluation of the parent company, or
- there is some concern about the stability of the Candidate.

20.4 The Officer must consult the Chief Financial Officer about whether a Bond is needed:

- where the Total Value exceeds £1,000,000, or
- where it is proposed to make stage or other payments in advance of receiving the whole of the subject matter of the contract and there is concern about the stability of the Candidate.

**CONTRACT MANAGEMENT**

**21. Managing contracts**

21.1 Directors/Heads of Service in sponsoring departments are to name contract managers for all new contracts. All contracts must have a named Council contract manager for the entirety of the contract.

21.2 Contract Managers must follow the procedures set out in the Council’s Guide to Contract Management.

**22. Risk assessment and contingency planning**

- 22.1 A business case must be prepared for all procurements with a potential value over the EU Threshold. Provision for resources for the management of the contract, for its entirety, must be identified in the business case.
- 22.2 For all contracts with a value of over £85,000, contract managers must consider maintaining a risk register during the contract period, undertake appropriate risk assessments and for identified risks ensure contingency measures are in place.

**23. Contract monitoring, evaluation and review**

- 23.1 The Chief Financial Officer may require that a Council-developed Gateway review process may be applied to all contracts deemed to be High Risk, High Value, or High Profile. This process must be applied at key stages of major procurements.
- 23.2 During the life of the contract, the Officer must monitor in respect of:
- performance
  - compliance with specification and contract
  - cost
  - any Value for Money requirements
  - user satisfaction and risk management.



## **Part 5c**

# **Protocol on Member/Officer Relations**

<b>Protocol on Member/Officer Relations</b>	
<b>Effective from</b>	<b>Approved by Council</b>

**1. Introduction**

- 1.1 This Protocol aims to offer guidance on relationships between members and officers and although it is not exhaustive, it covers some of the areas which most commonly arise. It is based partly on current practice and convention as well as reflecting principles contained within the Codes of Conduct which apply to members and officers. The shared object of these Codes and this Protocol is to maintain and enhance the integrity (real and perceived) of Blackpool Council and local government in general.
- 1.2 Unless otherwise stated, this Protocol applies to all officers and both elected and appointed members (ie co-opted members) of the Authority.
- 1.3 Reference to ‘Senior Officer’ within this Protocol means a Chief Officer, Head of Service, or an officer on the same tier as a Head of Service.

**2. The underlying principles**

*Mutual respect, trust and courtesy*

- 2.1 Mutual respect, trust and courtesy should be reflected in all meetings and contacts, both formal and informal, between members and officers. This principle is fundamental to the Council’s reputation and to the public’s perception of the Authority.

*Building the Authority’s reputation*

- 2.2 Members and officers should avoid public criticism which brings the Council into disrepute and instead work constructively together for the good of the Council and the community irrespective of political differences between elected members.

*Integrity*

- 2.3 In their dealings with each other, neither members nor officers should seek to take unfair advantage of their position. Officers should be apolitical in their dealings with members.
- 2.4 A member should not press an officer to do anything that he/she is not empowered to do or to undertake work outside normal duties or hours.
- 2.5 An officer must not seek to influence a member to make a decision in his/her personal favour, raise personal matters to do with his/her job, or make claims or allegations about other officers. Officers should follow the appropriate Human Resource procedures for dealing with these matters. Legitimate concerns may also be addressed through the Council’s Confidential Reporting Code.

*Access*

- 2.6 Members should recognise that, because of workloads and commitments, officers may not always be immediately available to them. Members are asked to avoid making frequent and unscheduled approaches to officers and, when possible and appropriate, to meet officers by appointment and vice versa.

**Conduct**

- 2.7 Undue familiarity between members and officers is to be avoided. It can:
- damage the principle of mutual respect
  - give rise to inappropriate behaviour or relationships
  - cause embarrassment to members and/or employees and
  - give rise to suspicions of favouritism/malpractice.
- 2.8 Members and officers should have regard to the formality of the occasion when addressing each other. In particular, for formally convened meetings and those open to the public, a formal mode of address should be used. In all other cases, members and officers will use the individual's preferred modes of address.

**3. Roles of members and officers**

- 3.1 The roles of members and officers are briefly described in the Council's Constitution. Officers should respect the elected nature of members' position and vice-versa.
- 3.2 The political independence and neutrality of officers is fundamental to good governance and must be reflected in all dealings with members. For their part, members should respect that principle and avoid doing anything to compromise officers' political impartiality.

**4. Member concerns about officers**

- 4.1 Officers are bound by the Code of Conduct for Employees and other Human Resources policies and procedures.
- 4.2 Members have the right to criticise officers who can be held to account for the performance where it is not of the standard required but they should always avoid personal attacks. However, any criticism should be constructive, well founded and likely to lead to improved performance.
- 4.3 Neither members nor officers should discuss in public, or otherwise inappropriately raise, a matter personal to or relating to the actions of one another.
- 4.4 Any concerns members may have about individual officers should be pursued with the chief officer for that service.
- 4.5 Where a member receives a complaint about an officer, which he/she thinks should be pursued, the member should ask the complainant to put the complaint in writing. These should be also be forwarded to the relevant chief officer.

**5. Officer concerns about Members**

- 5.1 Members are bound by the Code of Conduct for Members and other requirements of the Constitution.
- 5.2 If an officer has a concern about a Member, it should be raised with the Chief Officer and/or Director of Governance and Partnerships in the role as the Council's Monitoring Officer.

**6. Member and officer relationships in decision making**

- 6.1 It is important that there is a close and constructive working relationship between officers and members – especially regarding the operation of the Constitution and decision-making by and on behalf of the Authority.

- 6.2 Officers should ensure that Cabinet Members are briefed in relation to their responsibilities in the Constitution. This can be done either individually or collectively and is likely to include information not commonly available to other councillors.
- 6.3 Agenda briefings will also be provided to committee chairmen and committee members as appropriate.
- 6.4 Scrutiny Committee members may request officers to attend their meetings to answer questions and provide information. Officers below the level of senior officer will attend if it is felt that this is merited by the particular issue being raised subject to agreement by the Chief Officer.
- 6.5 The relationship between the Mayor, senior officers and the Council's civic staff will be guided by the Council's Civic Handbook.

**7. Officer relationships with party groups**

- 7.1 Officers may be requested to brief party groups as these are statutorily recognised and are an important part of the democratic process. It is common practice for groups to give preliminary consideration to matters of Council business in advance of them being debated and decided by the relevant body or member. However, officers do have the right to refuse particularly where attending may compromise political neutrality (see below).
- 7.2 Officer support for party groups must not extend beyond providing information and advice on matters of Council business. Officers must not be involved in discussing or advising upon party or political business and should not be expected by members to do so. Officers should not normally be present at meetings, or parts of meetings, when matters of party or political business are being discussed.
- 7.3 While party group meetings may be held in relation to forthcoming agenda items, any conclusions reached at party meetings do not rank as Council decisions and must not be interpreted or acted upon as such.
- 7.4 Information or advice provided to a party group cannot serve as a substitute for providing all necessary information and advice to the relevant body or member when the matter in question is considered by the Authority.
- 7.5 Relationships with a party group should not give cause for suspicion that an officer favours one group above any other. Advice available to one party group should be available to all party groups.
- 7.6 Party group members who are not councillors, but who are present at party meetings, should not be provided with the same level of information and advice as they are not bound by the Council's Code of Conduct for Members (in particular the provisions concerning confidentiality and the declaration of interests).
- 7.7 If any particular difficulty or uncertainty arises with regard to officer support for party groups, the advice of the Chief Executive and/or the Director of Governance and Partnerships should be sought.

**8. Members in their ward role**

- 8.1 Senior officers should ensure that members are briefed on issues within their ward. Good communication between members and officers will assist in determining which issues are likely to be of interest to members.



8.2 Whenever a public meeting is organised on behalf of the Council to consider a local issue, all the members representing the ward(s) affected should be invited to attend the meeting. Similarly, whenever the Council undertakes any form of consultation exercise on a local issue, the ward members should be given advance notice of the exercise.

8.3 If an officer is to attend a public meeting organised on behalf of the Council, the relevant chief officer representative may attend in person or delegate attendance to an appropriate officer.

## **9. Members' access to documents and information**

9.1 Members are entitled to obtain from the Council information that is reasonably needed to assist them in properly performing their duties.

9.2 A member has no right to a "roving commission" to examine any and all documents of the Authority. Members' legal rights in this regard arise partly from statute and partly from the common law (judicial decisions). Some of these rights are referred to in the Access to Information Procedure Rules to be found in Part 4 of the Constitution. Further and more detailed advice regarding members' rights to inspect Council documents may be obtained from the Director of Governance and Partnerships who will decide on these issues.

9.3 Officers need to respect personal and confidential information and this should not be disclosed to members.

9.4 Requests for information should normally be directed to the chief officer for that service, Head of Service or other appropriate senior officer of the directorate concerned.

9.5 A comparable standard of information will be given to all members. Members who are in receipt of special responsibility allowances will normally be given specific information in connection with the roles they undertake.

9.6 The Code of Conduct for Members also expresses the following principles relevant in this context:

- A member must not disclose information given to him/her in confidence by anyone, or information acquired which he/she believes is of a confidential nature, without the consent of the person authorised to give it, or unless he/she is required by law to do so
- A member must not prevent another person from gaining access to information to which that person is entitled by law.

9.7 Whilst co-opted members do not generally have the same statutory and common law rights of access to documents and other information held by the Council as elected members, the Council will normally provide co-opted members with the necessary information for them to carry out their role.

## **10. Member enquiries and officer responses**

10.1 Members should communicate with officers in the manner and at the level appropriate to the issue. Routine service-related enquiries should be initiated through the Council's online reporting system or where this is not possible, through the electronic member enquiry system. It will usually be appropriate to raise significant issues with the relevant chief officer for that area.

10.2 In normal circumstances, a full response should be given to all enquiries or requests for information from a member within ten working days of receipt of such request. Where it is not possible to provide a response within that period an acknowledgment and a brief explanation for the delay and timescale for response should be provided to the member.

10.3 Concerns raised by Members of Parliament and the Council's response should be copied to the relevant Executive Member.

- 10.4 The following points should be borne in mind when members raise issues with officers:
- a member has no authority to give an instruction to an employee (although officers will always seek to assist members as far as is reasonable and proper)
  - the political neutrality of officers must be respected and maintained at all times
  - an officer may ask a member to approach a more senior colleague.
- 10.5 Correspondence between a member and an officer may be copied within and outside the Authority unless marked 'private and confidential'. If so marked, the writer will be consulted before any such correspondence is published to any other person.

**11. Publicity and the media**

- 11.1 Official contact with the media on Council business will normally be handled through the Communications Team.
- 11.2 All such contact should be in accordance with the Code of Recommended Practice on Local Authority Publicity issued by the Department of Communities and Local Government. Advice about the Code is available from the Director of Governance and Partnerships.
- 11.3 Quotes on behalf of the Council for media purposes would normally come from members - normally leading members of the administration appointed by the Council to exercise delegated powers in the relevant area or group leaders - but not so as to appear to effect support for any political party. The content of such quotes for press releases will be cleared in advance with the members concerned. The Leader and Cabinet Members will normally speak on behalf of the Council for their area of responsibility.
- 11.4 Only those officers identified on the authorised list should contact the media. If an officer is to be quoted it would normally be the senior officer, chief officer or Chief Executive. Any other officer can only be quoted with the approval of the chief officer for that area.
- 11.5 Members and officers will work co-operatively together in dealing with any publicity or media issue arising.

**12. Support services to members and party groups**

- 12.1 The Council normally provides support services and equipment to members for the sole purpose of assisting them to discharge their official duties. This can include for example ICT equipment or PA support. Members should restrict their use of any such services or equipment to official business and should never use them for party political, campaigning or private purposes.

**13. Members and officers on outside bodies**

- 13.1 Members are entitled to reasonable assistance from officers in support of their role as Council representatives on outside bodies. This can be information about the body and an identified contact officer.
- 13.2 Where a member and officer are appointed to serve on the same body, they will work co-operatively together to fulfil the purpose of their appointment.
- 13.3 Member and officer representatives on outside bodies must understand their terms of reference and be clear about the responsibilities and obligations they assume, and the liabilities to which they may be exposed, in that role. Advice and guidance may be sought as necessary from the Director of Governance and Partnerships.

**14. Review and Enforcement of the Protocol**

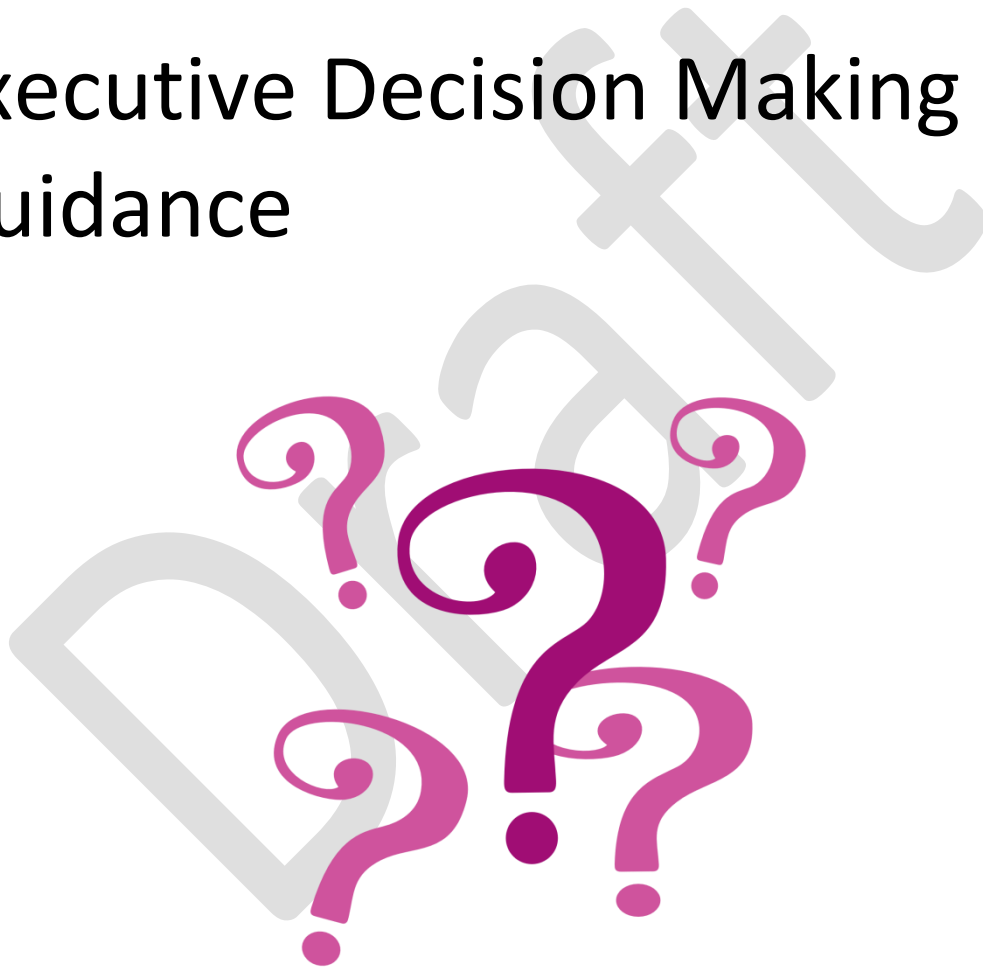
- 14.1 The Council's Standards Committee is required to promote high standards of conduct by members and to monitor the operation of the Confidential Reporting Code. The Committee is therefore well placed to oversee the operation of this Protocol and to advise on its future development and revision.

**15. Further Advice**

- 15.1 Members and officers should contact the Director of Governance and Partnerships or, in his/her absence, the Head of Democratic Governance, for further advice in relation to this Protocol.

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# Executive Decision Making Guidance



Updated:

## 1. Introduction

All decisions must be taken in accordance with the law, rules of procedure, financial regulations, relevant codes of practice and the principles of decision making set out in Article 13.02 of the Council's Constitution. This guidance should also be read in conjunction with Part 3 (Responsibilities for Functions) of the Constitution.

There are two types of executive decisions, namely a **key decision** or a **non-key decision**. The definitions for these and who will take them are set out in this document.

Decisions are taken in a number of ways including:

- by the Executive collectively (key or non-key)
- by an individual Cabinet Member (key or non-key) or
- by an authorised officer (non-key decisions only).

There are three principles which also necessitate an executive decision being taken by either the Executive or a 'Cabinet Member'. These are:

- If the decision to be taken is contrary to, or seeks to amend a decision previously taken as an Executive or Cabinet Member decision (either key or non-key decision)
- If the decision relates to the approval of the commencement of procurement exercises and the award of contracts which are reserved to the Executive, in accordance with Contracts Procedure Rules
- If the decision is reserved for Executive decision as per the Council's Financial Scheme of Delegation.

Executive decisions taken by the Leader of the Council, Deputy Leader of the Council, Cabinet Secretary and Cabinet Members must always be formally recorded by the Director of Governance and Partnerships (or representative) and will be subject to call-in.

Officer Executive decisions can only be taken by the relevant Chief Officer, or in the name of the Chief Officer or a person authorised in writing by the Chief Officer. They cannot be taken by a group of officers or a group of officers and elected members.

These principles and criteria in this document are part of the Council's Constitution and failure to follow these will be a breach of the constitution and would most likely result in disciplinary action being taken.

## 2. Conflicts of interest

There may be occasions where an Executive Member has a significant conflict of interest this is one where the member concerned has either a *prejudicial interest* or a *disclosable pecuniary interest*. In these instances, the Cabinet Member will not be involved in a decision relating to the matter. Such decisions will be referred to the Leader of the Council, unless he also has a conflict of interest.

Further guidance on interests is set out in the *Code of Conduct for Members* (Part 5 of the Council's Constitution).

### 3. Key decisions

Key decisions are to be taken by the Executive collectively. If the decision cannot be left until the next scheduled Executive meeting, it may be taken by the relevant Executive Member and in these circumstances the Director of Governance and Partnerships (or representative) will agree for the decision to be taken at this level, after consultation with the Leader of the Council and the relevant Executive Member.

Notice of a key decision must be given at least 28 calendar days in advance by its inclusion in the Forward Plan.

The definition of a key decision can be found within the Council's Constitution and is as follows:

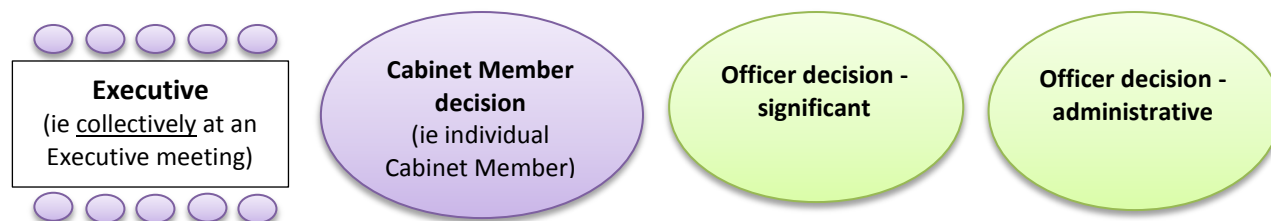
#### **Key decision definition**

*An Executive decision will be a key decision if it comes within any of the following categories:*

- a) *It involves expenditure or savings (including receipt of or loss of income) of £250,000 or over in relation to the budget for the service or function to which it relates, but excludes any decision:*
  - *taken as a consequence of the Council's Treasury Management Strategy for the current financial year*
  - *taken as a direct consequence of an earlier key decision*
  - *involving the purchase of property or land unless the amount is £500,000 or over and only then if it is at market valuation*
  - *involving the grant of loans, including those under the Blackpool Investment Fund, unless the amount is £500,000 or over*
  - *identified within the Council's agreed budget for the current financial year where there is a clear intention of the decision to be taken.*
- b) *It is likely to have a significant positive or negative impact on the people living or working in an area comprising two or more wards.*
- c) *It makes recommendations on the Council's Policy and Budget Frameworks.*
- d) *If the decision is to approve a 'plan or strategy', reserved for Executive approval only, as set out in the constitution.*

## 4. Non-key decisions

Non-key decisions are split into four categories and can be taken by Executive members or officers, depending on the nature of the decision – see below:



### Category 1: **Non-Key Decisions taken by the Executive collectively**

The following examples of non-key decisions would normally be taken by the Executive collectively unless circumstances dictate that a decision is required before the next scheduled meeting. In these circumstances, the Leader of the Council or a Cabinet Member would take the decision.

- a) Decisions likely to have a significant effect on communities living or working within one ward.
- b) Decisions with significant impact on service and/or resource implications across the Council/ Borough as a whole, or across a number of services.
- c) Decisions with significant performance or policy issues affecting the Council/ Borough as a whole, or crossing a number of services.
- d) Proposals to or responses to recommendations or matters raised by a scrutiny committee or the Audit Committee.
- e) Capital commitments with prudential borrowing (Financial Scheme of Delegation).

### Category 2: **Cabinet Member Non-Key Decisions**

These are decisions taken by the Executive Member individually (but may also be taken by the Executive collectively if necessary) and are:

- a) Decisions relating to significant asset management matters affecting the functions within the Executive Member's portfolio up the following financial thresholds:
  - the purchase of property or land up to £499,999
  - the sale, refurbishment, annual repair and maintenance or new build between £200,000 to £249,999or is likely to have a significant positive or negative impact on the people living or working in an area comprising one ward.



- b) Decisions involving loans to businesses such as those from the Blackpool Investment Fund up to the value of £499,999.
- c) Decisions with significant changes to service delivery or have significant service or resource implications for an individual Council function.
- d) Performance or policy issues affecting an individual Council function (unless these are so significant that they should be considered by the Executive collectively).
- e) Where the Chief Officer/Executive Member is of the opinion that the issue is likely to be controversial and/or sensitive.
- f) The payment of grants to outside bodies and voluntary organisations and the approval of ward funding requests from elected members, in accordance with the approved scheme.
- g) Where a dispensation from the Contracts Procedure Rules is required (Financial Scheme of Delegation).
- h) Setting service fees and charges (excluding those which are statutorily prescribed) and new income generation initiatives (Financial Scheme of Delegation).
- i) The write off of any individual debt in line with the threshold set in the financial scheme of delegation (Financial Scheme of Delegation).
- j) Extra contractual payments to contractors over 20% of contract value up to £250,000 (Financial Scheme of Delegation).
- k) Any statutory/legislative decisions which are not the responsibility of the Council or a Council committee
- l) Any proposed decisions that have been referred to the Executive by Council.

### **Category 3: Officer Delegated Decisions (significant operational decisions)**

The following sets out the types of non-key decisions that can be taken by officers i.e. those that are significant operational decisions for the service, or involve the appointment of elected members to other bodies. Although they do not require a decision from an Executive Member, the relevant Cabinet Member (or the Leader of the Council) must be consulted before the decision is made.

Under the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012, Executive 'officer' decisions must be published on the Council's website using the appropriate template. These would be exempt for call-in. The regulations do not define which officer decisions this applies, to although the presumption is generally such decisions which an ordinary member of the public would expect to be aware of. The

approach taken by other authorities includes property matters between certain thresholds, specific one off delegations from the Executive and formal appointments and responses on behalf of the Council. On that basis the criteria below is put forward for these types of decisions. These decisions do not include administrative decisions (i.e. taken as a result of day-to-day operation of the service). The corporate template must be used to record and publish these decisions.

These types of decision would include:

- a) One-off decisions delegated to an officer following a previous Executive or Cabinet Member decision.
- b) Decisions relating to significant asset management matters. This would be where the sale, purchase, refurbishment, annual repair and maintenance or new build is between £100,000 and £199,999 and there is no other form of approval already in existence.
- c) The appointment of elected members to outside bodies and school and academy governing bodies (as appropriate).

#### **Category 4: Officer decisions - administrative**

In line with the principles of good governance Chief Officers should also keep records of other operational decisions taken by them. Although these are not published (as they would not fall within the criteria that the decision is not something the public would expect to be aware of), a record of the decision will provide an appropriate audit trail and provides clear evidence of a decision taken should their need to be evidence needed in the future (inspection, investigation etc). The corporate template can be used for recording these types of decisions.

- a) Decisions involving loans to businesses such as those from the Blackpool Investment Fund up to the value of £199,999.

## **Appendix 2e**

### **Financial Regulations**

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## **1. Introduction**

- 1.1 Under Section 151 of the Local Government Act 1972 every local authority must make arrangements for the proper administration of their financial affairs and ensure that one of their officers has responsibility for the administration of those affairs.
- 1.2 To conduct its business effectively and efficiently the Council needs to ensure that it has sound financial management policies and that they are strictly adhered to. Part of this process is the establishment of financial regulations that set out the financial policies of the Council. Blackpool is committed to innovation within the regulatory framework, subject to the necessary risk assessment and approval safeguards being in place.
- 1.3 These financial regulations (the Regulations) are a written code of procedures approved by Blackpool Council (the Council) to provide a framework for proper financial management. The Regulations set out rules on accounting, audit, administrative procedures and budgeting systems. Importantly they are continuously updated and refined in the context of the Council's changing structure and methods of operating.
- 1.4 The Regulations identify the financial responsibilities and accountabilities of individuals – Executive Members, the Head of Paid Service (Chief Executive), the Monitoring Officer (Director of Governance and Partnerships), the Director of Resources, Directors and Heads of Service. Any reference to the Executive means the Leader of the Council and his/her Portfolio Holders acting collectively or individually. Each of the Regulations sets out the overarching financial responsibilities.
- 1.5 It is important that the new Regulations tie in with other internal regulatory documents forming part of the Constitution. Where appropriate this has been reflected in the amendments to the Regulations, which have been adapted from the CIPFA Best Practice Model Financial Regulations. Some documents, including The Finance Toolkit for Budget Managers, will be continually reviewed to ensure that they accord with new operating methods and the revised Regulations.
- 1.6 In line with the CIPFA model code, each section of the Regulations follows the format set out below:
- Why is this important? - this sets the context for the Regulations
  - Responsibilities of the Director of Resources

- Responsibilities of Directors where appropriate
- Responsibilities of Heads of Service

## 2. **Background**

2.1 Blackpool Council became a unitary local authority in 1998. The Council provides services including:

- Children and Education Services
- Adult Social Care
- Housing and Planning
- Highways and Street Lighting
- Coast Protection
- Street Cleansing and Grounds Maintenance
- Public Health
- Public Transport
- Tourism, Conferences and Illuminations
- Leisure
- Libraries and Arts
- Waste Collection, Recycling and Disposal
- Public Protection
- Economic Development
- Registration and Bereavement Services

2.2 The Council's governance structure is laid down in the Constitution which sets out how the Council operates, how decisions are made and the procedures that are followed. Blackpool has adopted a Leader and Cabinet form of Executive.

### **3. Status of Financial Regulations**

- 3.1 The Regulations provide the framework for managing the Council's financial affairs. They apply to every Member and officer of the Council and anyone acting on its behalf.
- 3.2 The Regulations identify the financial responsibilities of the full Council, the Executive, Portfolio Holders, Audit Committee, Scrutiny Members, the Head of Paid Service, the Monitoring Officer, the Director of Resources, Directors and Heads of Service. Executive Members and Directors should maintain a written record where decision-making has been delegated to members of staff, including seconded staff. Where decision-making has been delegated or devolved to other responsible officers such as school governors, references to the Directors in the Regulations should be read as referring to them.
- 3.3 All Members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control and for ensuring that the use of these resources is legal, properly authorised, provides value for money and achieves best value.
- 3.4 The Director of Resources is responsible for maintaining a continuous review of the Regulations and amending where necessary. The Director of Resources is also responsible for reporting, where appropriate, breaches of the Regulations to the Council and/or to the Executive Members.
- 3.5 The Council's various codes of financial practice, detailed financial procedures and reference sites setting out how the Regulations will be implemented are contained in relevant hyperlinks within the Regulations.
- 3.6 Directors are responsible for ensuring that all staff in their departments are aware of the existence and content of the Council's Regulations and other internal regulatory documents and that they comply with them.
- 3.7 The Director of Resources is responsible for issuing advice and guidance to underpin the Regulations that Members, officers and others acting on behalf of the Council are required to follow. Separate regulations exist for schools which give consideration to the Council's Regulations.

### **4. Financial Regulations**



## **4.1 Business and Financial Planning**

### **4.1.1 Why is this important?**

Planning is a dynamic and continuous process and is a fundamental tool in the management and control of the organisation. Financial planning is a key part of this process, setting out the financial consequences of the actions planned to meet the objectives and targets set within the plan.

The financial plans do not stand in isolation, and in essence are the evaluation of management plans. This evaluation is critical to the organisation, as the availability of finance is often the critical factor in determining the pace of development towards key objectives.

### **4.1.2 The Planning Process**

The Council is adopting an integrated planning process in which corporate objectives are aligned with Priority Led Budgeting:

- Minimum requirements set out in both law and Government guidelines; and
- The likely impact of financial constraints set by both Central Government and the Council's own local policies.

Within the planning process, the Director of Resources also has a key responsibility of advising the Executive and full Council on the appropriate level of Reserves which it needs to maintain.

The planning process will comprise three key elements:

1. The Council Plan sets out the key priorities and projects for the Council for the next five years. Individual service and departmental business plans are produced annually and aligned to the priorities of the Council Plan, providing a framework within which its officers can operate.
2. An annual budget (which will expand the detail of the appropriate years of the Council Plan) sets out the milestone targets towards the longer-term objectives and details the Action Plans necessary to achieve these targets. Detailed cash limits will be incorporated into this plan and this budget will become a major financial management tool.
3. The Council's performance management framework includes a robust corporate performance monitoring and reporting system. It ensures we regularly and comprehensively monitor performance against the Council Plan and provide the catalyst for corrective management action where appropriate.

Specific plans, for example the Health and Wellbeing Strategy, the Children and Young People's Plan and the Community Safety Plan, must be developed within the framework of the budget and the Corporate Plan. This will be a two-way process with the development of these specific plans influencing the development of the budgets and Council Plan, and vice versa.

### **4.1.3 Policy Framework**

The full Council is responsible for approving the policy framework and budget. The policy framework will include all statutory requirements and strategies that deliver the Council's priorities.

The full Council is also responsible for approving procedures for agreeing variations to approved budgets, plans and strategies, forming the policy framework, and for scrutinising contraventions. The Monitoring Officer, or Director of Resources as appropriate, should refer decisions to the full Council.

The full Council is responsible for setting the level at which the Executive, under delegated authority, may re-allocate resources. The Executive is responsible for taking in-year decisions on resources and priorities in order to deliver the corporate service priorities within the overall financial limits set by the Council.

### **4.1.4 Responsibilities**

Heads of Service are responsible for delivering the above corporate service targets within the cash limited budgets allocated. The means by which this will be reconciled and achieved will be formalised in the Services' Annual Business Plans and three-year Service Plans. In year concerns about any non-achievement must be reported to the Executive for consideration at the earliest opportunity.

## **4.2 Budgetary Control and Monitoring**

### **4.2.1 Why is this important?**

A budget is a quantitative statement, which is prepared, agreed and approved prior to a defined period of time, of the resources planned to be deployed over that period for the purposes of achieving certain objectives. Budgetary control is therefore an essential financial management tool in ensuring that service delivery continues to be affordable, and that the funding of other services is not jeopardised.

### **4.2.2 Key Responsibilities**

The Director of Resources is responsible for determining the accounting policies used in preparation of the annual accounts and budgets with due regard to the provision of section 151 of the Local Government Act 1972, the Accounts and Audit Regulations 2003 and other statutory and corporate provisions which affect the financial affairs of the Council. The Director of Resources is responsible for co-ordinating and producing the Council's budget and annual accounts.

The Director of Resources will:

- Determine the timetable for the completion of the corporate budget and financial planning budgets;
- Co-ordinate the estimates of all Departments for scrutiny and approval by Council Members and Committees;
- Provide advice to Directors and Heads of Service for preparing any bids for grants, partnership funding, or applications submitted to Central Government, the European Commission or any other external organisation, for financial support towards the costs of Council-related projects; and
- Be consulted over all negotiations with public and private sector developers where strategic commitments are involved.

The annual budget:

- Must be approved by the Council on recommendation of the Executive and comply with the Council's Constitution.
- Once approved, will give authority for expenditure to be incurred provided it complies with the Council's Constitution.
- Is cash limited and should not be exceeded without prior consent of the Executive, unless previously delegated by the Executive as 'non-cash limited' budget, for example, Treasury Management.

If approval is given to exceed the budget, any resultant overspends may be deducted from the following year's budget allocation. Any underspends may only be carried forward with prior agreement of the Executive on the recommendation of the Director of Resources.

Each Director and Head of Service will be responsible for preparing and providing information for the content of revenue and capital estimates which will be prepared in conjunction with the appropriate Finance Teams.

Each Director and Head of Service may transfer expenditure between budget heads provided the procedures and limits detailed in the [Reservation of Powers to the Executive and Scheme of Delegation](#) regarding virements has been followed.

Each Director and Head of Service will report budget transfers to the Executive which exceed the limits in the [Reservation of Powers to the Executive and Scheme of Delegation](#).

Capital projects can only be implemented, or capital spending incurred, after the Executive has approved the project, and it complies with the procedures and limits detailed in the [Reservation of Powers to the Executive and Scheme of Delegation](#) on management of the capital programme.

Unless already provided in the approved Capital Budget, the respective Portfolio Holder or the Executive should be advised of, and approve, any proposal which would affect the level of resources available to the Council to finance capital expenditure.

Each Director and Head of Service through their designated Finance Team is responsible for ensuring adequate controls exist relating to accounting arrangements in accordance with the principles of effective financial management.

#### **4.2.3 Budget Monitoring**

Each Director and Head of Service must provide the Director of Resources with the necessary information for the purposes of accounting and budgetary control, financial statements and returns, employee and other information, in a format prescribed by the Director of Resources and in accordance with the timetable issued by him/her for both Capital and Revenue budgets.

Each Director and Head of Service must submit regular reports to the Director of Resources of actual expenditure against budget with explanations of any variation and monthly action plans for recovery. Guidance for budget holders can be found in the [Finance Toolkit](#).

Each Director and Head of Service, and all affected employees within their departments, must not only comply with the Regulations, but also with any further requirements relating to revenue and capital expenditure and budgets, etc, which are detailed within the [Reservation of Powers to the Executive and Scheme of Delegation](#).

## **4.3 Financial Accounts**

### **4.3.1 Why is the annual statement of accounts important?**

The Authority is required to:

- Make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Authority that officer is the Director of Resources;
- Manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets; and
- Approve the statement of accounts.

### **4.3.2 The Director of Resources' Responsibilities**

The Director of Resources is responsible for the preparation of the Authority's Statement of Accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom ("the Code of Practice").

In preparing this statement of accounts, the Director of Resources has:

- Selected suitable accounting policies and then applied them consistently;
- Made judgements and estimates that were reasonable and prudent; and
- Complied with the Code of Practice.

The Director of Resources has also:

- Kept proper accounting records which were up to date; and
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

The purpose is to demonstrate to its stakeholders that the Council is maintaining proper stewardship of public monies and is in accordance with legal requirements. The Accounts and Audit Regulations 2015, regulation 7, include numerous requirements for inclusions within the Statement of Accounts.

The Director of Resources is required by regulation 10 of the Accounts and Audit Regulations 2015 to sign and certify the financial statements before the Authority approves it. Accounts must then be approved by a Committee or Members of the Council. By the 30th September (following the year to which they relate) the Accounts must then be published on the Authority website. From 2017/18 onwards the publication date changes from 30 September to 31 July.

#### **4.3.3 The Public Inspection of Accounts**

The Council shall, under Section 15 of the Audit Commission Act 1998 and Section 14 (1) of the Accounts and Audit Regulations 2003 and 2009, make the previous year's financial records available for public inspection for 20 working days before the date appointed by the auditors. The Council shall give notice by advertisement of the public inspection not later than 14 days before the commencement of the period of the inspection.

#### **4.3.4 Conclusion of the External Audit**

As soon as reasonably practicable after the conclusion of the audit, the Council shall give notice by advertisement stating that the audit has been concluded and the accounts are available for inspection by local government electors.

### **4.4 Treasury Management**

#### **4.4.1 Why is this important?**

The Council has adopted CIPFA's *Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition)*. It has also adopted all Treasury Management Practices as detailed in pages 13 to 19 of the Code. This balances effective cash management and the generation of a reasonable rate of return on cash invested with a need to prudently manage public funds and minimise inherent risks. The Council's Treasury Management practices are reviewed on an annual basis and then approved by the Treasury Management Panel.

#### **4.4.2 Key Responsibilities**

The full Council is responsible for approving the Treasury Management Policy Statement setting out the matters detailed in section 6 of CIPFA's *Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition)*. The policy statement is proposed to the full Council by the Executive. The Director of Resources has delegated responsibility for implementing and monitoring the statement.

In addition, the Council's Treasury Management Policy Statement is to be consistent with CIPFA's *Prudential Code for Capital Finance in Local Authorities* and the *Investment Guidance* issued by the Department of Communities and Local Government (DCLG).

All money in the hands of the Council is controlled by the Director of Resources who is the Council's Section 151 officer as set out in the Local Government Act 1972.

The Director of Resources is responsible for reporting a proposed Treasury Management and Investment Strategy to the Executive for the coming financial year before its start. These Strategies should be fully consistent with the Capital Programme and the Revenue Budget for the coming year, and ideally issued at the same time.

All Executive decisions on borrowing, investment, or financing, shall be delegated to the Director of Resources who is required to act in accordance with CIPFA's *Treasury Management in Public Services Code of Practice and Cross Sectoral-Guidance Notes (2011 Edition)*.

The Director of Resources is responsible for reporting to the Executive not less than two times in each financial year on the activities of the treasury management operation, and on the exercise of his delegated treasury management powers and responsibilities. One such report will comprise an annual outturn report on treasury management for presentation by 30th September of the following financial year.

All borrowing and investments of the Council's funds shall be made in the name of the Council by the Director of Resources in accordance with current statutory requirements and Codes of Practice.

Decisions on borrowing, investment, or financing, shall be taken in accordance with the provisions of the treasury management policy statement and the annual treasury management strategy.

Heads of Service should notify the Treasury Management team when receipts in excess of £150,000 are expected to arrive with the Council to facilitate effective cash flow management.

#### **4.4.3 Reserves and Balances**

It is the responsibility of the Director of Resources to advise the Executive and/or full Council on prudent levels of reserves for the Council, and to take account of the advice of the External Auditor in this matter.

Reserves are to be maintained in accordance with the latest edition of *Code of Practice on Local Authority Accounting in the United Kingdom* and agreed accounting policies.

For each reserve established, the purpose, usage and basis of transactions should be clearly identified.

#### **4.4.4 Cash and Bank Accounts**

The Director of Resources is authorised to open such bank accounts as considered necessary.

All arrangements with the Council's bankers will be authorised by the Director of Resources.

Cheques drawn on the Council's bank account shall bear the signature of the Director of Resources.

#### **4.4.5 Credit Cards**

Credit Cards will only be issued on the authorisation of the Chief Accountant.

All credit card holders must abide by the [Procedural Guidance for Use by Credit Card Holders](#).

#### **4.4.6 Petty Cash and Cash Floats**

The Director of Resources shall provide officers with petty cash accounts and cash floats as considered necessary.

No income received on behalf of the Council may be paid into such accounts.



All payments will be supported by receipted vouchers and proper VAT receipts where appropriate.

The officer responsible for petty cash accounts or cash floats will provide the Director of Resources with a certificate regarding the state of the account when requested, or at financial year-end as a minimum.

The officer responsible for petty cash shall account to the Director of Resources in full for the petty cash and float advanced when leaving the employment of the Council, on ceasing to require the petty cash or cash float, and at any other time if so required.

#### **4.4.7 Purchasing Cards**

Purchasing cards will only be issued on the authorisation of the Chief Accountant on written request of a Head of Service. All purchasing card holders must abide by the guidance set out in the [Purchasing Card Users' Manual](#).

## **4.5 Income Management**

### **4.5.1 Why are effective income procedures important?**

Effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly. Given the high levels of day-visitors to Blackpool and transient residents in the town, it is particularly important that income collection is as timely and efficient as possible.

Wherever practical, it is essential to obtain income in advance of supplying goods or services as this improves the Council's cashflow and also avoids the time and cost of administering and, in extreme circumstances, writing-off debts. Where it is appropriate to raise a debt post-service, prompt response to instances of non-payment is vital to optimise the prospects of collection.

### **4.5.2 Responsibilities of the Executive**

The Executive is responsible for approving procedures for writing-off debts as part of the overall control framework of accountability and control. The Executive is also responsible for approving changes to agreed fees and charges for Council Services.

### **4.5.3 Responsibilities of the Director of Resources**

- To agree arrangements for the collection of all income due to the Council and to approve the procedures, systems and documentation for its collection;
- To order and supply to departments all necessary receipt forms, books or tickets, and with satisfactory arrangements for their control;
- To appoint or approve the appointment of private bailiffs to act on the Council's behalf as and when necessary;
- To approve all debts to be written off in consultation with the relevant Head of Service; to keep a record of all sums written off up to the approved limit; and to refer larger sums to the Executive;
- To ensure that appropriate accounting adjustments are made following write-off action;
- To ensure money collected and deposited is reconciled to the bank account by a person who is not involved in the collection or banking process; and
- To monitor income collection performance across the Council, and advise and liaise with Heads of Service as appropriate.

#### **4.5.4 Responsibilities of Head of Service**

##### **4.5.4.1 Collection and banking**

All income should be collected from the correct person or body at the right time, using the correct procedures and the appropriate stationery.

All money received by an employee on behalf of the Council should be paid without delay to the Director of Resources or, as directed, to the Council's bank account, and properly recorded. The responsibility for cash collection should be separated from that of identifying the amount due and reconciling the amount due to the amount received. Effective action should be taken to pursue non-payment within defined timescales.

##### **4.5.4.2 Scheme of Delegation**

It is the responsibility of Heads of Service for the collection of income in their service area and to have procedures for this.

##### **4.5.4.3 Grant Income**

The requirements of Heads of Service relating to this income stream are included in these financial regulations in section 48 'External Funding'.

##### **4.5.4.4 Charging Policy**

All income due to the Council should be identified and correctly charged in accordance with an approved charging policy reviewed at least annually and approved by the Portfolio Holder by the end of January.

##### **4.5.4.5 Income Records**

Heads of Service should ensure records are maintained to provide an audit trail leading from the source of income through to the accounting statements.

All appropriate income documents should be retained and stored for the defined period in accordance with the document retention schedule (see separate section of the Regulations).

Heads of Service should issue official receipts and maintain any other appropriate recording systems for income collection.

##### **4.5.4.6 Debt Recovery and Debt Write-offs**

It is the responsibility of the Head of Service to supply the Director of Resources with details relating to work done, goods supplied, services rendered or other amounts due, to enable the Director of Resources to record correctly the sums due to the Council, and to ensure accounts are sent out promptly. Heads of Service have a responsibility to assist the Director of

Resources in collecting debts that they have originated by providing any further information requested by the debtor, and in pursuing the matter on the Council's behalf.

In cases of genuine hardship it will sometimes be appropriate to write-off debts. A Fairer Debt Policy is in place. Wherever possible and given administrative costs involved in collection procedures, debts should not be raised in the first place where hardship is known to be an issue.

The Head of Service must establish and initiate appropriate recovery procedures, including legal action where necessary, for debts that are not paid promptly.

Formal approval should be obtained for debt write-offs from the Director of Resources in the first instance, and from the Executive where required.

The link to the write off policy is <http://hub/intranet/modules/services/default.aspx?id=1198>

#### **4.5.4.7 Security**

- To separate, as far as is practicable, the responsibility for identifying amounts due and the responsibility for collection;
- To lock away all income in order to safeguard against loss or theft, and to ensure the security of cash handling;
- To securely hold receipts, tickets, and other records of income for the appropriate period as set out in the document retention policy;
- To ensure that whenever practicable at least two employees are present when post is opened, and that monies received are properly identified and recorded; and
- To ensure income is not used to cash personal cheques or other payments.

#### **4.5.4.8 Annual Accounts**

To notify the Director of Resources of outstanding income relating to the previous financial year as soon as possible in line with the year end procedures notes determined by the Director of Resources.

### **4.6 Capital Investment**

#### **4.6.1 Why is this important?**

Capital expenditure involves acquiring or enhancing fixed assets with a long-term value and usefulness to the Council, such as land, buildings, and major items of plant, equipment, or vehicles. Capital assets shape the way services are delivered in the long-term and create financial commitments for the future in the form of financing costs and revenue running costs.

The Government places a certain amount of control on the financing capacity of the Council via allocation of both general and specific borrowing powers. This means that any capital expenditure should form part of a corporate investment strategy and should be carefully prioritised in order to maximise the benefit of scarce resources according to agreed Council targets.

#### **4.6.2 Capital Programme**

##### **4.6.2.1 Approval**

The 3-year Capital programme is approved on an annual basis in line with the Revenue Budget. In addition, future capital projects are identified within each service on a continual basis. It should be noted that the de minimis level for individual items or coherent groups of capital expenditure is £15,000. By default items costing less than £15,000 are to be treated as revenue items for all purposes.

##### **4.6.2.2 Appraisal**

Each service when resources are available will be invited to submit bids as part of the annual capital programme exercise. The department in conjunction with the Asset Management Section is responsible for undertaking Option Appraisals, Feasibility Studies and Whole Life Costing exercises. These are necessary in order to develop the proposal to a stage that can be recommended to the Property Risk Management Group (PRMG). The respective service accountant who will have undergone appropriate training will assist this process. At this testing stage the PRMG will reject or defer bids and submit the stronger cases to the Corporate Asset Management Group (CAMG).

All capital bids submitted during the annual review of the Capital Programme require a [Project Appraisal Form](#) to be completed. The form records key information for each proposal, which enables the bids to be prioritised once they have been submitted to the PRMG.

A form must be completed for each project, including any which are completely funded by external sources and/or revenue contributions. This ensures that there is a clear audit trail for all items submitted for inclusion on the draft Capital Programme.

The [Project Appraisal Form](#) covers:

- Corporate and community objectives to which the project would contribute;
- What the outputs and outcomes of capital investment would be and explores the available options; and
- A full financial appraisal that includes 5-year commitment forecasts for expenditure, funding and revenue consequences including VAT implications.

#### **4.6.2.3 Revenue Commitments**

The revenue commitments of every prospective scheme should be notified by the project lead to the respective service accountant for inclusion in their revenue estimates once validated. Each department should have a representative on PRMG and CAMG and should highlight any potential consequences of the scheme when it is proposed. These should be considered as part of the Executive item that is subsequently submitted.

#### **4.6.2.4 Scoring**

The completed forms are summarised and presented to the CAMG for consideration and scoring according to predetermined criteria such as their ability to achieve corporate priorities and any match-funding requirements. Schemes that are fully funded by external sources such as ring fenced Supported Capital Expenditure (SCE) – Single Programme Element, grants or contributions are automatically fast-tracked onto the draft capital programme, following due consideration of Capital objectives and any revenue or VAT implications.

Once the capital allocations are announced in early December, the highest scoring bids are entered onto the draft capital programme up to the limit of 'top-sliced' funding available to the Council, once overspends have been taken into consideration.

The CAMG then considers the draft capital programme along with the next priority bids should funding be available. A capital receipts forecast is used to decide what value of this reserve, if any, should be committed to the programme to allow the next tranche of bids to proceed. This forms a supplementary programme.

#### **4.6.2.5 Control**

The Capital Finance team allocates a discrete ledger code for each scheme approved within the programme. This is instigated by completion of the [Capital Project Control Form](#), which can be found on the intranet. It is the responsibility of the budget holder to complete this with details of agreed capital and revenue budgets, phasing and various named contacts. Once completed a copy is automatically forwarded to the Capital Finance team who will then set up the necessary code. The form is then returned to the originator with the capital code against which costs will be monitored.

#### **4.6.2.6 Subsequent Bids**

Any subsequent capital bids that emerge during the year (expected to be fully-funded) must still be presented to the CAMG for approval via the AMPG as above, and before submission to the Executive. All such schemes must have a completed [Project Appraisal Form](#) and, as per the Constitution, must go to the Executive if over £50,000. Once approved the new scheme is added to the capital programme and a ledger code allocated and notified as above.

#### **4.6.2.7 Process Documents**

The [Option Appraisal Flowchart](#) and [Option Appraisal Procedure Notes for Budget Holders](#) summarise the above process.

#### **4.6.2.8 Responsibilities of the Director of Resources**

- To develop and implement the Council's Capital Strategy and Asset Management Plans which set out the priorities for capital investment;
- To prepare capital estimates jointly with Heads of Service and the Chief Executive, and to report them to Executive for approval, commenting on relevant financial implications;
- To issue guidance concerning capital schemes and controls, e.g. on project appraisal techniques; and
- To define 'capital' and determine applicable 'de minimis' levels, having regard to Government regulations and accounting standards.

#### **4.6.2.9 Responsibilities of Heads of Service**

The revenue consequences of capital programme schemes must be contained within the Service's approved revenue budget.

The Head of Service must comply with guidance concerning capital schemes and controls issued by the Director of Resources.

The Head of Service is responsible for ensuring that all capital proposals have been progressed and considered at the AMPG and that a project appraisal has been undertaken in accordance with guidance issued by the Director of Resources. Estimates must cover at least two years in addition to the year of budget. Such appraisals shall include a justification for the scheme, an examination of alternative means of providing the service or function, an estimate of any capital costs and revenue effects of the scheme and an exit strategy where necessary.

All capital bids for external funding not anticipated in the capital programme must be submitted to the Executive for their approval prior to their submission.

No capital expenditure shall be incurred on any scheme until:

- It is included in an approved budget;
- Accountability for each proposed capital scheme is accepted by a named project manager on the service side and by a named Capital accountant lead officer where involved; and

- Government approval for the scheme or approval under agency arrangements has been obtained where appropriate.

Where tenders received for a capital project exceed the approved estimated cost, the project may not proceed unless the excess cost can be financed by reducing the cost of other projects in the relevant Head of Service's capital budget, except in cases where alternative funding can be found and is approved by the CAMG.

### **4.6.3 Capital Monitoring**

#### **4.6.3.1 Reports**

An overall position statement on the capital programme is reported by service block and by individual schemes > £500,000 therein to CAMG, Corporate Leadership Team (CLT) and the Tourism Economy and Resources Committee on a regular basis, the Executive on a regular basis, according to the corporate budget monitoring timetable and the structure for capital monitoring. Capital monitoring is undertaken on a monthly basis once the financial ledger is closed for the preceding month and the relevant feeder system data (ProAdvance, SBS, etc.) has been entered and reconciled. Initial monitoring reports are prepared for each service block within the capital programme by the Capital Finance team. The reports are reviewed for any obvious miscoding or errors. Upon investigation these are corrected as soon as possible within the ledger.

#### **4.6.3.2 Monitoring Meetings**

The reports are discussed at an initial capital monitoring meeting between representatives of Accountancy and a representative of the department involved or named project manager. The results should be reconciled to the individual project records and any variances agreed to be investigated by the appropriate officers. The reports are updated to take account of any issues raised and presented to the relevant finance representative at the Pre Directorate Leadership Team (DLT) meetings, for their consideration and comment. Discussions are held to establish why variances have occurred, and if there is potential slippage, the effects on the capital programme for the future. When the finance representatives are satisfied that the information displayed in their respective monitoring reports is correct, a corporate position statement is presented at the monthly Department Leadership Teams highlighting any particular areas of concern that have arisen in terms of overspends.

#### **4.6.3.3 Risk Register**

In addition the Capital Finance Team, in consultation with Budget Holders, produces a monthly Risk register for high value schemes > £500K. This identifies areas of potential overspend within the programme and how the problem may be mitigated e.g. additional funding, cuts within other budget areas, transfer of costs to other areas etc. The Risk register is submitted to the monthly DLT's and CLT meetings.



#### **4.6.3.4 Responsibilities of the Director of Resources**

- To provide relevant and timely financial management information and reports as required in accordance with the Council's capital budget monitoring procedures;
- To ensure that adequate records are maintained for all capital contracts;
- To report on the position of the corporate Capital Programme on a monthly basis to CLT and the Executive in line with revenue reporting deadlines, taking account of any comments made by the DLT groups;
- To comment on reported variances between actual expenditure and budgets, indicating how much is due to slippage or other causes, reasons for slippage, and setting out any implications and action plans for the future capital programme; and
- To initiate next priority schemes over and above the current programme in the event that slippage is forecast to occur (over-programming), subject to the appropriate approvals of the CAMG, Corporate Leadership Team and the Executive.

#### **4.6.3.5 Responsibilities of Heads of Service**

- To undertake monitoring of the capital programme for their service, using information provided by Capital Finance where appropriate.
- To declare slippages, overspendings or savings on schemes to the appropriate capital monitoring group, as soon as known, in order to allow sufficient opportunity to consider other options.

#### **4.6.4 Capital Financing**

**4.6.4.1** The Authority's capital programme can be funded by any of the following sources:-

- Grants
- contributions
- revenue or reserves
- usable capital receipts
- Prudential Borrowing

#### **4.6.4.2 External Grants and Contributions**

The Council's service departments can bid to Government departments, other financing bodies such as the Lottery Fund, and private organisations for *grants and contributions* towards their specific schemes. Where such resources are made available, the Council will make every effort to match-fund the capital schemes provided that they meet appropriate criteria and are within available resources. It should, however, be noted that there can be no guarantee of match funding.

#### **4.6.4.3 Revenue or Reserves**

Services may wish to invest a proportion of their revenue budget to ensure that their capital bids are successful. There is no prescribed limit to the use of *revenue funding or accumulated reserves* for capital expenditure, apart from the Council's own budget constraints.

#### **4.6.4.4 Useable Capital Receipts**

Sums received from the disposal of fixed assets, usually parcels of Council-owned land, can be used to support new capital spending. The AMPG has agreed that in order to ensure Member involvement in the asset disposal process all disposals after having been approved at the appropriate level of authority must be included in the Members' Information Bulletin for information.

Following the ending of the national subsidy system in March 2012, the Council's Housing Revenue Account (HRA) is operated on the required self-financing basis. This means that all housing related expenditure has to be funded from housing related income, i.e. rents and other charges. Borrowing can be undertaken for redevelopment to be serviced from future rental incomes, though as part of the national policy to reduce levels of public debt there is a ceiling on the debt 'headroom' of the HRA.

Self-financing has not removed the limits on the annual rent increase (or decrease) that can be set, which are capped to RPI inflation plus 0.5% plus £2 per week. Similarly the move from a subsidy system did not change the requirement for Right to Buy receipts to be pooled nationally, though a recent change in the legislation enables the Council to retain a proportion of the sales receipts provided they are used for direct replacement with a new HRA dwelling.

The Housing Revenue Account is managed on behalf of the Council by the Arms Length Management Organisation, Blackpool Coastal Housing (BCH). Further information on the operation of self-financing can be obtained from their Director of Finance.

The Usable Capital Receipts Reserve is maintained to hold such income. The Asset Management Section's Asset Disposal Plan is used to update a rolling 3-year capital receipts forecast. The Director of Resources is then able to decide how much of this reserve should be allocated to support the forthcoming capital programme. Capital receipts are also used throughout the year for emergency capital works where other funding is not available.

#### **4.6.4.5 Prudential Borrowing**

With the introduction of the *Prudential Code for Capital Finance* with effect from 1<sup>st</sup> April 2004 local authorities now have greater flexibility in allocating resources to deliver their capital plans. This gives the Council more choice across the range of capital financing methods available subject to the constraints upon its revenue budget.

With this greater freedom, however, come the risks of taking on an inappropriate amount of debt, of opting to spend the Council's scarce resources in a way that is not congruent with the Council's goals and priorities, and of adversely affecting the Council Tax level or the Council's fund balances. One of the roles of the CAMG is to assess the capital bids submitted to it by the AMPG. It is responsible for challenging, comparing and prioritising these bids on the basis of

predetermined criteria to produce a capital programme that fits the funding available. This is particularly important where the capital expenditure is unsupported (i.e. funded from within the Council's internal resources) since these resources are limited and all such approved schemes are required to demonstrate that they are affordable, sustainable and prudent.

All schemes which are unsupported will need to demonstrate that they do meet the appropriate criteria if they are to be recommended:

- Robustness – the business case will need to demonstrate robustness that the scheme will still remain viable if exceptional circumstances occur and therefore evidence of risk identification and sensitivity analysis is expected.
- Cost of capital – the business case should use the Council's current pooled interest rate as the cost of capital; however, the sensitivity analysis must recognise that this rate will change over time and that any changes could also affect the financial viability of the scheme.
- Asset life – the business case should assume an asset life which is technically and commercially reasonable and commensurate with the Council's own depreciation policy; the AMPG should be alert to the impact on apparent viability of extending the asset life inappropriately within the business case to reduce the annual cost and make the case appear stronger than it is.
- Approval - all such schemes must be submitted to the Executive for final approval after having followed due process via CAMG.

For unsupported capital expenditure schemes, e.g. Prudentially Funded schemes, the equivalent budget to cover that year's capital financing costs (i.e. the amount of principal repayment plus interest at the current pooled interest rate applied to the average in-year balance) will be vired non-repetitively at the beginning of each financial year from the service which is deriving the benefit from the capital expenditure to the corporate Treasury Management budget. Where a scheme commences during the year, the above budget virement will be actioned for the remaining part-year at the next quarter-end.

#### **4.6.46 Responsibilities of the Director of Resources**

- To finance the capital programme in such a way as to maximise benefit to the Council and avoid the withdrawal of funding from external sources;
- To keep the CAMG informed of the balance and movements on the Usable Capital Receipts Reserve; and
- To identify future capital receipts from the Council's Asset Disposal Plan and recommend more effective use of the Council's assets.

#### **4.6.4.7 Responsibilities of Heads of Service**

It is the responsibility of the Heads of Service to notify the CAMG as soon as additional capital resources become available.

#### **4.6.4.8 Post Project Evaluation**

In order to ensure best value and improved service delivery completed projects now have a post project evaluation carried out by the Asset Management Section. To that end a questionnaire has been developed which identifies which targets and objectives set in the Project Appraisal Form have been met and highlights any lessons to be learned.

#### **4.6.4.9 Responsibilities of Heads of Service**

Once a project has been completed it is the responsibility of the relevant Department to consider the outcomes and to incorporate the lessons learned in all future schemes.

### **4.7 Procurement and Disposal of Assets**

#### **4.7.1 Why is this important?**

Public money should be spent with demonstrable probity and in accordance with the Authority's Procurement Strategy and Policies. Authorities have a statutory duty to achieve best value in part through economy and efficiency. The Authority's procedures should help to ensure that services obtain value for money from their procurement and purchasing arrangements.

These financial procedures should be read in conjunction with the Authority's [Procurement Strategy](#) and [Contracts Procedure Rules](#) and corporate procurement Codes of Practice which are issued from time to time to provide procedural guidance on procurement.

#### **4.7.2 Declaration of Interest**

Every Officer and elected member of the Authority has a responsibility to declare any links, or personal or prejudicial interests that they may have with purchasers, suppliers or contractors if they are engaged in contractual or purchasing decisions on behalf of the Authority, as set out in the Code of Conduct for Members and the Officer Code of Conduct and associated registers of interests and declarations of gifts and hospitality.

#### **4.7.3 Ordering**

Official orders must be in a form approved by the Director of Resources and the Head of Procurement and Projects. All purchase orders should be placed using the Cedar Electronic Ordering System eProcurement where this is implemented.

Official orders must be issued for all work, goods or services to be supplied to the Authority, including supplies of utilities, in which case, an official purchase order will be needed for accounting and invoicing purposes only. Official purchase orders are not required for periodic payments such as rent or rates, petty cash purchases or other exceptions specified by the Director of Resources. In exceptional cases where orders are given verbally they shall be confirmed by official order the same day.

Officers placing orders should do so within agreed financial limits, defined by the Director of Resources within the Scheme of Delegation and in accordance with the [Contract Procedure Rules](#).

#### **4.7.3.1 Corporate Contracts**

Each order must conform to the guidelines approved by the Council on contracts arranged by the Head of Procurement and Projects under any corporate arrangements for the standardisation of supplies, services and materials.

#### **4.7.3.2 Terms of Trading**

High risk, High Value procurements (i.e. having a total aggregated contract value which exceeds the relevant Financial Limit) will be documented in formal contracts which will be drawn up by the Head of Procurement and Projects and/or Chief Corporate Solicitor, in which case, an official purchase order will be needed for accounting and invoicing purposes only.

For Low Value procurements (i.e. having a total aggregated contract value not exceeding the relevant Financial Limit), the terms of trading will be stated on the order, in which case, orders shall be made on the Council's terms and conditions which must not be varied without the prior approval of the Head of Procurement and Projects and appropriate Senior Officer.

Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of Authority contracts.

#### **4.7.3.3 Estimates of Cost**

Before inviting tenders or quotations and entering into contracts for the execution of works or services, the budget holder shall obtain from an appropriate officer an estimate in writing of the probable cost of executing the work or service together with an estimate of any recurrent annual costs and, ensure that the necessary approvals are in place, including budget approval.

When estimating costs, officers must comply with European Union Directives which require contracts to be advertised via the Official Journal of the European Union (OJEU). The financial thresholds are reviewed every year and officers should refer to current guidelines to ensure compliance. Current European Union thresholds can be obtained from the Head of Procurement and Projects who will advise on the appropriate procurement process. The Head of Procurement and Projects is responsible for arranging all European Union notices.

#### **4.7.3.4 Separation of Duties**

Clear audit trails should exist for all procurement activity. It is essential that proper controls and segregation of duties exist at every stage of the procurement process. In particular, the officer authorising the procurement and invoice payment, must be different from the officer who raises an order.

#### **4.7.4 Contracting and Tendering**

The process of obtaining tenders and quotations and the award of business shall be in accordance with Contract Procedure Rules and corporate procurement Codes of Practice on Tenders and Contracts.

No exceptions shall be made unless directed by the Council, the Executive or Portfolio Holder acting within the requirements of the Constitution. Any exception from any of the provisions of these Contract Procedure Rules and the circumstances from which the exception arises shall be recorded by the Head of Procurement and Projects in accordance with the Council's approved Executive arrangements.

##### **4.7.4.1 Competitive Quotations**

No contract which is classed as 'Low-Value' (i.e. having a total aggregated contract value not exceeding the relevant Financial Limit) shall be made unless, in accordance with the Contract Procedure Rules, competitive quotations in writing are obtained by the decision-maker from at least three firms which, in the normal course of their business, supply the type of work, goods or services required.

Quotations must be obtained in accordance with the Council's Contract Procedure Rules and Code of Practice on Tendering and Quotations. Any exception from this is to be agreed by the Head of Procurement and Projects.

##### **4.7.4.2 Tendering**

No contract that is classed as 'High-Value' (i.e. having a total aggregated contract value which exceeds the relevant Financial Limit) shall be made unless, in accordance with the Contract Procedure Rules, formal competitive tenders are obtained. Any exception from this is to be agreed by the Executive or Portfolio Holder.

The applicable tendering procedure should be agreed with the Head of Procurement and Projects and be undertaken in accordance with the Council's [Contracts Procedure Rules](#)

##### **4.7.4.3 Financial Stability**

Tenders for High Value and High Risk Contracts must be checked for the Financial Stability of potential Suppliers in accordance with the Council's Code of Practice on Tendering and Contracts.

Financial Stability must be given due consideration in the procurement of works, goods and services that are high risk, even though they may be of low value. The Head of Procurement and Projects will give guidance, if required, as to identifying risk.

#### **4.7.4.4 Framework Agreements**

The Council may choose to establish a formal tendered framework agreement, for organisations who execute work or supply goods or services of a specified type, category and value regularly required by the Council. Any such framework must be compiled and maintained in accordance with the Council's Contract Procedure Rules and Code of Practice on Tendering and Quotations and in conjunction with the Head of Procurement and Projects.

#### **4.7.4.5 Receipt and Opening of Tenders**

All tenders must be receipted, opened and assessed in accordance with the Council's [Contracts Procedure Rules](#).

#### **4.7.4.6 Formalities**

The acquisition of all work, goods and services will be properly documented in the form of a contract, which will be agreed with the Chief Corporate Solicitor and/or Head of Procurement and Projects. All contracts and agreements must be entered onto the 'Contracts Register' and the original contract document deposited with the Head of Procurement and Projects.

#### **4.7.4.7 Commencement of Contract**

Except when authorised by the Chief Corporate Solicitor and Head of Procurement and Projects in special circumstances, no work shall commence or goods and services be procured until the necessary letters, documents and official purchase orders have been formally completed.

#### **4.7.4.8 Insurance Documents**

If the contractor is required to obtain insurance cover for the term of the contract or is required by the Council to carry out any aspect of the work under the cover of an indemnity, guarantee, accreditation or other similar certification, then the Head of Service shall ensure that, prior to any contract commencing and at all times during the period of any contract, appropriate and valid insurance or certification is in place and that copies are retained on the Council's contract file.

#### **4.7.4.9 Corruption**

In accordance within the framework issued by the Chief Corporate Solicitor, all contracts entered into will be subject to a clause covering corruption during the tendering process.

#### **4.7.4.10 Consultants**

Consultants are to be obtained in accordance with the Council's Code of Practice for Engaging Consultants. In cases where a private consultant is employed to act for the Council in the carrying out of works or purchase of supplies, it shall be a term of their appointment that they shall observe and comply with the procedures prescribed in the Regulations.

#### **4.7.4.11 Exceptions to Contracts Procedures**

Exceptions are listed within the Contracts Procedure Rules.

#### **4.7.4.12 General**

In these procedure rules with respect to contracts:

- 'decision-maker' shall as the context requires include the Council and any body or person delegated with the power to procure goods or services.
- 'officer' is to be construed as meaning an officer holding a position described in part 7 of the Constitution <http://www.blackpool.gov.uk/Your-Council/The-Council/Council-constitution-and-plans/Council-constitution.aspx>

#### **4.7.5 Partnering**

##### **4.7.5.1 Why is it important?**

Partnering is a method of procurement whereby the Council enters into an agreement with a contractor, with costs being based on an open-ended sharing of information as opposed to a more traditional tendering process. Partnering implies selection on the basis of attitude to team working, ability to innovate and to offer effective solutions, with an overall aim of achieving value for money.

There will be no limit on the scope of services and works to which partnering arrangements may be applied. However, partnering arrangements are complex and must provide demonstrable benefits to the Authority and value for money and any decision to enter into a partnering agreement will be subject to approval by the Head of Procurement and Projects of a fully costed 'Business Case' which will include an appropriate risk assessment.

Where this process is adopted, tenders must be obtained in accordance with the Council's Contracts Procedure Rules and [Code of Practice for Partnering](#).

##### **4.7.5.2 Key Responsibilities**

Authority to enter into partnering arrangements must be granted by the Head of Procurement and Projects and confirmed by the Executive.



### **4.7.5.3 Code of Practice**

Officers responsible for the development, execution and monitoring of partnering arrangements must follow the council's [Code of Practice for Partnering](#).

## **4.7.5 Leasing**

### **4.7.5.1 Why is it important?**

As an alternative to the purchase of plant, vehicles or equipment, the Council can, where appropriate, enter into lease agreements. Leasing is occasionally seen as a viable alternative to purchase in cases where the terms of the lease are more favourable than the costs of outright ownership.

Leasing should not be seen as a way of spreading costs, since the cumulative costs may exceed those of purchase. For this reason, officers wishing to lease must consider the overall costs of any lease agreement against overall costs of outright ownership.

All acquisitions of capital equipment (over £15,000) must follow the capital bidding process, as supported by service accountants. As part of this process, an option appraisal will be conducted to establish whether leasing, buying or borrowing is the preferred method of financing.

All leases must be facilitated by the Capital Finance Team, who will work in association with appointed leasing consultants to secure the most favourable terms according to the lessee's requirements. Potential lessees should not directly enter into lease agreements with suppliers.

The main type of lease encountered is the finance lease. With this type of lease, the goods remain the property of the leasing company, and the Council pays an annual rental charge, but under IFRS we have to account for this asset within the asset register. This is due to the fact that in most lease cases the Council derive all the benefits associated with ownership of the asset. The assets is still returned to the leasing company at the end of the lease agreement, and the item removed from the asset register

Operating leases differ from finance leases in that a lower cost is generally paid out over the lease term, and the asset returned at the end of the lease.

### **4.7.5.2 Key Responsibilities**

The Capital Finance Team is responsible for:

- Obtaining the most competitive price for new leases, through a tendering process handled by the Council's appointed leasing consultants;
- Arranging lease documentation that protects the Council's rights;
- Processing of lease rental invoices;
- Maintaining the Council's leased asset register;
- Producing leasing information for inclusion in the Statement of Accounts;
- Managing the end of lease procedures; and

- Advising Members and officers as appropriate.

Service accountants are responsible for:

- Facilitating the lease-versus-buy option appraisal process;
- Effecting prepayments such that lease charges fall to the correct accounting period; and
- Referring leasing queries to the Capital Finance Team.

Service managers are responsible for:

- Keeping a record of leased assets under their control and the location of the goods;
- Ensuring that the equipment is insured and maintained in accordance with the terms of the lease;
- Planning ahead to allow adequate time for replacements to be arranged where appropriate, and return conditions to be complied with; and
- Contacting the Capital Finance Team for advice on leasing matters.

Note:- Prudential Borrowing is now often considered a more suitable way to finance the purchase of plant, vehicles or equipment.

#### **4.7.5.2 Key Responsibilities**

##### **4.7.5.2 Disposal of Assets**

The Council's Asset Disposal strategy has been developed in order to provide a comprehensive point of reference for information on how our various Council assets are to be disposed of when they reach the end of their serviceable lives, or become surplus to our collective requirements. The strategy seeks to ensure that the Council achieves value for money when recycling or disposing of existing equipment.

Surplus assets should be considered on a case by case basis to determine whether they should be retained for future re-use, or as an investment in the case of land or property assets, or to be disposed of in the most appropriate manner by sale, charitable donation, trade-in or condemnation etc.

A 'one size fits all' approach to defining asset disposal criteria would not be appropriate, as the rationale for donating surplus furniture to a charity for community use, would be entirely different to disposing of a property asset that is costly to maintain, however the Council is committed to proactively monitoring its surplus assets, to ensure that they are retained and disposed of appropriately depending on a range of factors such as type of asset, condition, age, value, maintenance and holding costs and current market conditions.

The Council is committed to a principle of 're-use and recycling' of surplus equipment wherever possible, which is in line with our environmental and social obligations as a public sector organisation, and this document seeks to formalise the process and appropriate considerations relating to the disposal of our assets.

The Asset Disposal strategy sets out the disposal process and due considerations for the following Council assets:

- Ø Land & Property
- Ø Furniture, Fittings & Equipment
- Ø ICT Equipment (PCs and associated hardware & phones etc.)
- Ø Photocopiers & Printers (including MFD's)

All officers should refer to this strategy and consult with the Asset Management Team.

The use of eBay is being trialled within Waste Services and if successful, will be rolled out across other Council Services. The [guide](#) to eBay and Paypal for Blackpool Council includes general information as well as setting up an eBay and Paypal account, payments, despatch of goods, records, monthly reconciliations and monitoring feedback together with end of year transactions, security, VAT guidance and selling to abroad.

## **4.8 External Funding**

### **4.8.1 Why is it important?**

It is generally recognised that there is limited scope within formula funding (Council Tax and the Local Business Rates Retention Scheme) for the council to significantly improve and expand the range of services it offers. Therefore, external funding is an essential tool in that it enables the council to access additional funding to develop new and innovative services. Effective management of external funding will help the council to maximise the benefits derived from such funding opportunities.

Some funding is received in the form of specific grants. These are received on a periodic basis and the Authority should take due care to ensure these are received on time. Where there is a statutory requirement to provide information on which grant is based, such information should be provided on a timely basis.

All funding opportunities sought, including those from individual officers and groups, must support the services that underpin the Council's core objectives.

### **4.8.2 External Funding Code of Practice**

All externally funded schemes must be managed in accordance with the Council's [External Funding Code of Practice](#). The Code of Practice prescribes the necessary processes and controls applicable to each stage of the process from initial seeking of funding through application, delivery and monitoring, to grant claim, completion of returns and review.

### **4.8.3 Responsibilities**

The Director of Resources is responsible for ensuring that the Authority provides necessary statutory information used in the calculation of centrally calculated grants. This task may be delegated to appropriate officers within the Authority.

The Director of Resources is responsible for monitoring the receipt of centrally calculated grants. This task may also be delegated to appropriate officers within the Authority.

Project Managers must be nominated for each bid and are responsible for co-ordinating the formulation of bids. The relevant Head of Service is responsible for approval and signing of the application for external funding. Finance Teams will provide support in compiling applications.

Under the council's [Scheme of Delegation](#), authority to accept external funding and the terms and conditions attached is delegated to Heads of Service.

The Project Manager is responsible for managing the delivery of externally funded projects, including monitoring arrangements and the maintenance of adequate records to support the compilation of grant claims and returns. The Project Manager is also responsible for ensuring that officers involved in delivering the project understand the Funders' Conditions. In particular, the Funders' Conditions on procurement must be communicated to the Head of Procurement and Development when the project is initiated. Finance Teams will provide support in ensuring grant claims and returns are completed accurately.

The Head of Service or nominated officer is responsible for ensuring that controls required by the Code of Practice have been applied before signing off details relating to project delivery included within grant claims and returns.

The Director of Resources (or nominated officer) is responsible for ensuring that controls required by the Code of Practice have been applied before certifying all grant claims and returns.

#### **4.8.4 Grant-funded Projects and Partnerships**

Where the Council acts as lead partner in the administration of grant-funded projects, the regulations on Partnerships will also apply.

### **4.9 Partnerships**

#### **4.9.1 Why is it important?**

The Executive may delegate functions, including those related to partnerships, to Directors. This discharge of duties is set out in Part 3 of the Council's Constitution - <http://www.blackpool.gov.uk/Your-Council/The-Council/Council-constitution-and-plans/Council-constitution.aspx>

Where functions are delegated, the Executive retains responsibility for them to the full Council. Representation of the Council in partnerships and on external bodies will be decided by the Executive in accordance with the Constitution.

#### **4.9.2 Responsibilities of Director of Resources**

The Director of Resources must ensure that there are satisfactory processes and controls in place in relation to accounting practices adopted by partnerships and in joint ventures. The Director of Resources must:

- Ensure that partnership governance arrangements are underpinned by clear and well documented internal financial controls; and
- Advise on effective controls that will ensure resources are not wasted.

The Director of Resources must have satisfied himself that services have produced:

- A scheme appraisal for financial viability in both the current and future years;
- Risk appraisal and management (prior to establishing partnerships or joint ventures);
- Resourcing, including taxation issues;
- Audit, security and control requirements; and
- Carry-forward arrangements.

#### **4.9.3 Responsibilities of Partnership Lead Officers (Directors and Heads of Service)**

Partnership Lead Officers have the following responsibilities:

- To consult with the Director of Resources, as necessary, on a scheme's appraisal for financial viability in both the current and future years;
- To ensure that, before entering into agreements with external bodies, a risk management appraisal has been prepared for the Director of Resources;
- To ensure that such agreements and arrangements do not impact adversely upon the services provided by the Authority;
- To ensure that all agreements and arrangements are properly documented; and
- To provide appropriate information to the Director of Resources to enable a note to be entered into the Authority's statement of accounts concerning material items.

#### **4.10 VAT and Other Taxation**

##### **4.10.1 Introduction**

- a) The Council incurs VAT on a range of goods and services purchased. The Council also charges VAT on some services that it provides and on the sale of certain goods. The Council has a duty to declare these VAT transactions to HM Revenue and Customs.
- b) In performing its payroll function the Council will collect deductions from employees' pay in relation to both PAYE and National Insurance contributions. The Council has a

responsibility to pay and provide information on these deductions to HM Revenue and Customs on a timely basis.

- c) The Council may also incur Corporation Tax (and associated forms of taxation) where it operates trading companies. The Council has a responsibility to pay and provide information of such taxation to HM Revenue and Customs on a timely basis.
- d) The Council incurs Landfill Tax on the disposal of waste that is not recycled. The Council has a responsibility to maintain accounting records and submit payments to SITA UK Limited and, under the terms of the PFI agreement, to Lancashire County Council. The landfill operators forward any tax due to HM Revenue and Customs.

#### **4.10.2 VAT**

- e) The overall management of VAT is the responsibility of the Director of Resources, although day-to-day tasks relating to research, transaction processing and completion of returns is delegated to different sections throughout the Authority.
- f) Individual Services are responsible for the processing of VAT transactions in accordance with the Council's accounts payable and accounts receivable procedures.
- g) The Finance Team will undertake the management of the Council's overall VAT position including advice to Council officers and Members in accordance with departmental procedures. They will also provide specialist advice to Service Managers on matters relating to VAT.
- h) The Corporate Finance Team will manage the compilation and submission of any relevant VAT returns.

#### **4.10.3 PAYE and National Insurance**

The overall management of payroll-based tax deductions is the responsibility of the Director of Resources, although day-to-day tasks relating to transaction processing and completion of returns are delegated to the Payroll and HR Administration Manager. This responsibility will be managed in accordance with the Section's procedure rules relating to payroll deductions. The Payroll and HR Administration Manager will provide specialist advice of PAYE and other employee/employer taxation.

#### **4.10.4 Landfill Tax**

- i) The overall management of Landfill Tax is the responsibility of the Director, although day-to-day management is delegated to the Head of Integrated Transport and Waste Services.
- j) The Head of Integrated Transport and Waste Services is responsible for the maintenance of accounting records, preparing and submitting returns and making payments to SITA UK Limited.

- k) Advice regarding Landfill Tax can be obtained from the Corporate Finance Team and from the HM Revenue and Customs and DEFRA websites.

#### **4.10.5 Other Taxation**

All other taxation issues are the responsibility of the Director of Resources although responsibility for day-to-day management, transaction processing and reporting may be delegated to the most appropriate officer.

### **4.11 Revenues & Benefits Service Manager – Revenues, Benefits & Customer Services**

#### **4.11.1 Why is this important?**

This section of the Regulations covers all areas of employee-related matters, including salary and wages payments, allowances, pensions and miscellaneous expenses. It will also cover the methodology, rules and regulations that cover the payment of supplier invoices.

#### **4.11.2 Responsibilities of the Director of Resources**

The Director of Resources must be notified by the appropriate Executive Director or their nominated Chief Officer of all appointments, retirements, dismissals and changes of remuneration (other than changes resulting from general salary and wage awards).

#### **4.11.3 Responsibilities of the Head of Human Resources and other delegated Chief Officers**

Commencing salary should usually be the minimum point of the grade for the post, depending on the specific criteria for the job including qualifications and experience. For further information please contact Human Resources.

#### **4.11.4 Staff Appointments, Terminations and Other Related Employment Provisions**

All information on any matter regarding the appointment, termination or related matters regarding staff and employees can be found by visiting the Council's Hub – HR Information - HR Policies, Procedures and Arrangements.

#### **4.11.5 Re-imbursment of Travelling, Subsistence and Related Expenses**

The Re-imbursment Policy covers the rules and guidelines relating to the payment of travel, subsistence and related expenses. It explains in full the following:

- Vehicle Mileage Allowances
- Excess Travel Allowances
- Subsistence Allowances
- Out of Pocket Expenses

The full version of the policy can be found at

<http://hub/intranet/modules/services/default.aspx?id=147&did=-737551>

The link below shows the details of car mileage rates –  
<http://hub/intranet/modules/services/default.aspx?id=420>

These allowances should be treated as taxable and as such should be sent to the Payroll Section for reimbursement.

#### **4.11.6 Payment of Professional Fees**

There are a number of posts within the Council where professional fees are reimbursed. Details of the posts that qualify for the payment of professional fees can be obtained from HR. The criteria used to determine whether the Council reimburses professional fees are as follows:-

1. Has the appropriate level of membership been achieved by examination?
2. How relevant is the professional qualification to the job?

Departments may request additional posts are added to those already authorised, by completing an Establishment Variation Form PERS01 which is available on the Hub.

#### **4.11.7 Scheme of Financial Assistance towards Relocation Expenses**

A relocation allowance may be payable to an employee who, entering the Council's service, is moving from a location that is further than 20 miles outside the Blackpool, Fylde and Wyre boundary and the appointee is moving to within either

- a) the Blackpool boundary, or
- b) within the Fylde/Wyre boundary takes up residence

Fur further details please refer to the specific policy which is available on the Hub.

#### **4.11.8 Telephone Allowances – Home Users**

This no longer applies as Officers/Councillors are provided with 'work' mobile phones.

#### **4.11.9 Post Entry Qualification Scheme**

The purpose of the Council's Post Entry Qualification Scheme is to help employees gain relevant qualifications.

Relevant qualifications are those which are either essential to the job role and job performance or are pertinent to career development in areas where there is likely to be further resource needs in the future.

This Scheme is not centrally funded and therefore costs will be met by the relevant service.



However this document provides a consistent framework to support services to deal with PEQS requests, particularly where requests exceed available budget.

#### **4.11.10 Payment of Members' Allowances**

The Council in exercising its powers conferred by the Local Authorities (Members' Allowances) Regulations 1991 as amended, has introduced the Blackpool Borough Members' Allowance Scheme

<https://www.blackpool.gov.uk/Your-Council/Your-councillors/Allowances-and-Register-of-interests.aspx>

The Scheme covers the payments made to Members that includes their basic allowance, special responsibility allowances and other allowances. It also covers the guidelines on claiming travelling and subsistence allowances and attendance at conferences.

The Mayor's Allowance is also covered by this power, and because a large element is classed as taxable it is to be processed through the Payroll Section.

#### **4.11.11 Pensions**

Staff employed by the Council are, subject to certain criteria, eligible to join one of the occupational pension schemes available to them. These are The Local Government Pension Scheme (LGPS), the Teachers' Pension Scheme (TPS) or the NHS Pension Scheme.

These are classed as Defined Benefit pension schemes and are calculated using either final salary or career average earnings methods depending on membership. They all guarantee an income for life directly linked to earnings, given the option to purchase a tax free lump sum, provide death in service cover and many more benefits.

For further details please contact  
Yvonne Moulton, Senior Pensions Officer, telephone 01253 478578 or email  
[yvonne.moulton@blackpool.gov.uk](mailto:yvonne.moulton@blackpool.gov.uk)

or alternatively please contact

Your Pension Service for the LGPS  
Website: <https://www.yourpensionservice.org.uk>  
Telephone: 0300 123 6717

TPS  
Website: [www.teacherspensions.co.uk/](http://www.teacherspensions.co.uk/)  
Telephone: 0345 6066166

NHS Pension Scheme  
Website: <http://www.nhsbsa.nhs.uk/pensions>  
Telephone: 0300 3301 346

#### **4.11.12 Payment of Invoices**

Payment of invoices must comply with the Late Payment of Commercial Debt Legislation 1988. This means that all invoices must be paid to the supplier within 30 days of the invoice received date. Any invoices paid after this date could attract an interest claim from the supplier.

##### **4.11.12.1 Invoices sent directly to Transactional Services**

These invoices will be scanned into the Cedar system daily and if the order was placed using E-Procurement the system will either match the order to the invoice or generate an email regarding any action that needs to be taken. When the invoice matches the order the invoice batch will be processed and payment generated. (The supplier will still only be paid in accordance with the payment terms set up. Payments will not be issued early)

If no order was raised and the invoice has been received, the invoice will be scanned into the Finance Process Manager system (FPM). The system will email users to ask them to log in and complete the coding details on the invoice to allow payment.

Only authorised users will be able to input and authorise the invoices, using cost centres that they have access to and in accordance with the authorisation levels set up in the system. Once authorised, the invoice will be processed and payment generated. (The supplier will still only be paid in accordance with the payment terms set up. Payments will not be issued early)

User guides can be found on the intranet at:

<http://hub/intranet/modules/services/default.aspx?id=1199>

##### **4.11.12.2. Pro-Forma / Vat Receipt Invoices sent directly from the Service Area**

Pro-forma invoices and invoices that say this is not a vat receipt will require manual input into the system. These invoices will need to include the following:

- (a) Be properly authorised in accordance with the authorised signatory list
- (b) Complete / Correct coding
- (c) Correct VAT calculation
- (d) Internal Pro-forma's require back up documentation

Any item not meeting the above requirements will be returned for correction.

##### **4.11.12.3 Authorised Signatory List**

Anyone who is set up to authorise invoices must have signed the authorised signatory list that is issued annually in April, if the person is not on the authorised signatory list the invoice will be returned delaying payment.

##### **4.11.12.3. Purchasing Card Statements**

Purchasing card transactions should be coded up in the intellilink system and authorised by the 15 of the month. Following this date the transaction will be extracted to Cedar and coded to the default cost centre and account code provided at set up and cannot be amended.

#### **4.11.12.4. Payment Runs**

Bacs payment runs are sent on a daily basis, payments will reach suppliers accounts 2 working days following the payment run.

#### **4.11.12.5 Transparency Legislation**

In accordance with the Transparency Agenda any payments over £250 will be reported and published on the council's internet site.

<https://www.blackpool.gov.uk/Your-Council/Transparency-and-open-data/Budget,-spending-and-procurement/Payments-over-250.aspx>

Any member of the public can query a payment that has been made so it is important that the coding is correct as data may be published incorrectly if not.

### **4.12 Risk Management**

#### **4.12.1 Insurance and Risk Management**

##### **4.12.1.1 Why is this important?**

Risk Management is a systematic process for identifying risks faced by the Council and the best methods of dealing with them. It is not an end in itself, rather a means of maximising opportunities and minimising the costs of disruption caused by undesired events.

The information generated from applying the risk management cycle will help to ensure that risks can be avoided or minimised. It provides a means by which the risks of a new enterprise can be identified, assessed and managed. It will also inform judgements on the nature and extent of insurance cover and the balance to be reached between self – insurance and external protection.

Insurance is a major element within risk management, enabling risks from adverse events to be mitigated through taking out cover policies. However, these are not without cost, and risk prevention is always preferable to paying higher premiums when this is possible.

##### **4.12.1.2 The role of the Director of Resources in Risk Management and Insurance**

The Director of Resources will provide risk management support to Directors and Heads of Service and centralised insurance arrangements for all major risk exposures through the Risk and Resilience Team.

### **4.12.1.3 The role of Service Management in Risk Management**

The responsibility for managing risks within service delivery units remains with the management of those units. It is therefore important that all service managers assess and manage the risks they face. Local service knowledge will be important in determining the balance between risk management and insurance. A Risk Management Toolkit is in place which offers guidance to departments to help manage risks. Bespoke face to face training on risk management or assistance with risk workshop facilitation can be arranged where this would be beneficial to a service.

Risk management activity includes ensuring adequate arrangements are in place to maintain continuity in the event of business disruption. Business continuity planning should be an ongoing discipline as part of the risk management process (see Section 4A). Appropriate guidance can be obtained from the Risk and Resilience Team.

Heads of Service should ensure appropriate insurance is in place for any risks they face that are not covered by central arrangements (see guidance on risks covered centrally referred to above). They should also comply with all requests for information from Risk and Resilience to enable any necessary cover to be arranged or revised, and for all claims arising to be processed efficiently.

## **4.12.2 Internal Audit**

### **4.12.2.1 Why is this important?**

Internal Audit is an appraisal function that reviews the internal control of the Council. Internal Audit objectively examines, evaluates and reports on the adequacy of internal control within departments, and expresses an opinion on the overall control framework. The Council has a legal requirement to maintain an internal audit function.

The aim of Internal Audit is to help the Council to achieve its objectives through a systematic, disciplined approach that is designed to evaluate internal control, risk management and governance processes. Although it is a legal requirement, Internal Audit is also a valuable resource for developing improved risk and control arrangements throughout the Council.

The reports of internal audit are considered by the Audit Committee, which may require Chief Officers to attend and detail planned actions with regard to major control weaknesses identified in audit reports.

### **4.12.2.2 Responsibilities of the Director of Resources**

Under the Accounts and Audit Regulations 2003 the Council, as a relevant body, should maintain an effective system of internal audit. The Director of Resources is responsible for

provision of an adequately resourced internal audit function with appropriate reporting arrangements to elected Members.

The Director of Resources is also responsible for ensuring that the internal audit work performed complies with relevant ethical and professional standards and complies with the Public Sector Internal Audit Standards. Further information on this is available in the Internal Audit Charter available from the Chief Internal Auditor.

#### **4.12.2.3 Responsibilities of Directors/Heads of Service**

Directors and Heads of Service are responsible for establishing and maintaining adequate internal controls. This responsibility extends to controls for the prevention and detection of fraud and other illegal acts. Internal Audit is available to provide advice on strengthening internal controls where appropriate.

Heads of Service are responsible for ensuring that premises, personnel, documents and assets are made available for audit reviews.

Heads of Service are responsible for ensuring that agreed actions arising from audit recommendations are implemented in a timely and efficient fashion.

Heads of Service should attend Audit Committee when requested to do so to provide explanations of remedial action being taken with regard to any adverse audit opinions.

#### **4.12.3 External Audit**

##### **4.12.3.1 Why is external audit important?**

The basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. In particular, section 4 of the 1998 Act requires the Audit Commission to prepare a Code of Audit Practice which external auditors follow when carrying out their duties. The Code of Audit practice issued in March 2000 sets out the auditor's objectives to review and report upon:

- (a) the financial aspects of the audited body's corporate governance arrangements
- (b) the audited body's financial statements
- (c) aspects of the audited body's arrangements to manage its performance and delivery of value for money
- (d) the Annual Governance Statement

The Council's accounts are scrutinised by external auditors who must be satisfied that the statement of accounts 'presents fairly' the financial position of the Council, and that its income and expenditure for the year in question complies with the legal requirements.

In future years local authorities will need to procure their own external auditors and options for this change are being considered. Until this time the incumbent external auditors will remain appointed to the Council.

#### **4.12.3.2 Responsibilities of the Director of Resources**

- To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets that the external auditors consider necessary for the purposes of their work;
- To ensure there is effective liaison between external and internal audit; and
- To work with the external auditor and advise the full Council, Executive and Directors on their responsibilities in relation to external audit.

#### **4.12.3.3 Responsibilities of Directors**

- To ensure that external auditors are given access at all reasonable times to premises, personnel, documents and assets which the external auditors consider necessary for the purposes of their work; and.
- To ensure that all records and systems are up to date and available for inspection.

#### **4.12.4 Security of Assets and Data**

##### **4.12.4.1 Why is this important?**

The Council holds assets in the form of property, vehicles, equipment, furniture and other items worth millions of pounds. It also holds sensitive and confidential data about residents that is necessary for delivery of, amongst other things, key education and social services. It is important that assets are safeguarded and used efficiently in service delivery, and that there are arrangements for the security of both assets and data required for service operations.

##### **4.12.4.2 Responsibilities of Directors/Heads of Service for asset and data security**

Heads of Service should ensure the following key controls over resources are in place:

- (a) Resources are used only for the purposes of the Council and are properly accounted for.
- (b) Resources are available for use when required.

- (c) Resources no longer required are disposed of in accordance with the law so as to maximise benefits.
- (d) An Asset Register is maintained, assets are recorded when they are acquired by the Council, and this record is updated as changes occur with respect to the location and condition of the asset.
- (e) Staff are aware of their responsibilities with regard to safeguarding the Council's assets and information, including the requirements of the Data Protection Act and software copyright legislation.
- (f) Staff are aware of their responsibilities with regard to safeguarding the security of the Council's computer systems, which are contained in the Council's ICT security policy published on the Hub.
- (g) <http://hub/intranet/modules/services/default.aspx?id=601>
- (h) There is clear assignment of responsibility for the security of assets, and in particular, clear security mechanisms are in place for valuable and portable assets which are most likely to prove attractive for theft.

Advice can be obtained from the Council's Security and Insurance and Risk Management Sections about security measures to protect assets, and to ensure that any claims on cover will not be invalidated because the required security was not in place. In addition, the Internal Audit section can provide guidance on asset security on request.

#### **4.12.5 Anti-Fraud**

##### **4.12.5.1 Why is this important?**

The Council is a significant local authority responsible for large sums of public funds, and has a duty to ensure that these funds are only used to deliver quality services to those entitled to receive them. The Council is committed to minimising any loss from fraudulent activity, be it by staff or members of the general public. All frauds discovered will be dealt with firmly.

Responsibility for delivery of this strategy rests with a number of elements of the Council, including:

- Service delivery management;
- Risk Services and
- Senior management and elected Members

##### **4.12.5.2 Responsibilities of the Director of Resources**

The Director of Resources will, through the Chief Internal Auditor, ensure that there is an effective response to all suspected frauds notified by service management and other staff, including those raised in confidence through the “[whistle blowing](#)” procedure.

The Director of Resources will maintain an Internal Audit and Corporate Fraud Service that will be available to assist in fraud investigation and fraud prevention.

An e-learning package on Fraud Awareness is hosted on I-Pool, and face to face training can be provided where there is sufficient demand.

#### **4.12.5.3 Management responsibilities relating to fraud and corruption**

These are set out in the Council’s Anti-Fraud and Corruption Strategy, which also contains further details on prosecution procedures where fraud is suspected. It is expected that managers will ensure that their staff have received fraud awareness training appropriate to their duties.

#### **4.12.6 Money Laundering**

##### **4.12.6.1 Why are money laundering procedures important?**

Money laundering is the ‘cleaning’ of proceeds of criminal activity, so it is important that the Council is not inadvertently complicit with this. For a number of years the Council has had a duty to prevent money laundering by establishing monitoring and reporting arrangements. Recent changes to this guidance have stressed the need for risk assessment and proportionality, but it remains important that relevant staff are aware of their responsibilities.

##### **4.12.6.2 Responsibilities of the Director of Resources**

- To appoint a nominated officer to receive disclosures of potential money laundering activity. The Chief Internal Auditor is the nominated officer and the Audit Manager is the nominated deputy;
- To ensure that all reasonable grounds for suspicion following adequate investigation are informed to the National Crime Agency, or adequate reasons documented for not doing so;
- To ensure that adequate money laundering records are kept; and
- To ensure a risk assessment is undertaken and that all departments identified as most relevant (i.e. those involved in cash handling and processing of large transactions) receive money laundering training.

##### **4.12.6.3 Responsibilities of Heads of Service**



The money laundering provisions apply most significantly to Councils where:

- Cash or similar (e.g. travellers cheque) payments are received;
- Those payments are above £13,000; and
- The identity of the person making the payments to the Council is uncertain.

If all these criteria are met the following steps must be taken:

- As soon as is reasonably practicable, ensure that the third party produces satisfactory proof of identity;
- Where the third party originally identified acts or appears to act for another person, ensure that reasonable measures are taken to identify that person; and
- Cease to process the transaction if doubts remain about the identity of the third party.

In all circumstances the actions taken by an officer who considers that there are doubts about identity may be taken only after consulting the Chief Internal Auditor. Records of the proof of identity and its source and the relevant transactions should be provided to the Chief Internal Auditor, who will retain them for at least five years from the date at which the relationship ended or at which the last transaction was completed.

#### **4.12.7 – Anti-bribery arrangements**

##### **4.12.7.1 Why is this important?**

The Bribery Act of 2010, which came into effect on 1 July 2011, requires local authorities and other public bodies to take sufficient steps to have a reasonable expectation of preventing and detecting bribery. If sufficient arrangements are not in place the Council can be subject to significant fines and the senior officers could also receive prison sentences.

##### **4.12.7.2 Responsibility of the Director of Resources**

To ensure that the work programme of internal audit includes proactive anti-fraud activity of sufficient breadth and depth to have a reasonable expectation of preventing or discovering bribery.

##### **4.12.7.3 Responsibilities of service management**

To assist internal audit in understanding unusual transactions or patterns of transactions. To comply with Council and European procurement requirements (see Section 4.7) and ensure that all relevant staff submit annual declarations of interest (including nil returns where appropriate).

#### **Financial Records Retention Policy**

*Guidance - Those items below in white text must be retained as a hard copy for the period specified. All those in black text may be retained in an electronic format. Whilst storing information electronically is to be encouraged. Please ensure you give careful consideration as to how you will ensure electronic records are retained for the period specified.*

#### **4.13.1 European Regional Development Fund**

“Building” Records, e.g. plans of grant-refurbished buildings	Retained until 2025 or as per specified retention rules
Prime finance documents e.g. original invoices, receipts and other relevant documents relating to claims	
Personnel records	
Legal Documents	In Perpetuity
All procurement / tender/ contract documentation and related correspondence	As specified in funding conditions

**Ensure that all documentation is kept for 3 years after the end of the Objective 2 Programme i.e. at least 31 December 2016.**

Auditors will want to see **originals** of invoices, receipts, activity records etc.

**If you don’t have records you may have to pay money back** – even if the project has ended.

Don’t throw anything away.

#### **4.13.2 Banking records**

Type of financial document	Retention period
Final set out accounts signed by Section 151 and Chair of Finance and Audit Committee.	6 years
<b><i>Cheques and associated records</i></b>	
Cheque books / stubs for all accounts	2 years
Cancelled cheques	2 years
Dishonoured cheques	2 years
Fresh cheques	6 years
Paid / presented cheques	6 years
Stoppage of cheque payment notices	2 years
Record of cheques opened books	2 years
Cheque registers / Record of Cheque Numbers	2 years
Record of cheques drawn for payment	6 years
<b><i>Bank deposits</i></b>	
Bank deposit books / slips / stubs	2 years
Bank deposit summary sheets, banking summaries, cheque schedules	2 years
Register of cheques lodged for collection	2 years
<b><i>Bank reconciliations</i></b>	
Reconciliation files / sheets – where these are printed out and signed as proof of review.	2 years
Any other reconciliations which are printed out and signed as proof of review (eg payroll, creditors, debtors to ledger reconciliations)	2 years
Daily list of paid cheques	2 years
Unpaid cheque records	2 years
<b><i>Bank statements</i></b>	
Bank statements	2 years
Bank certificates of balance	2 years
<b><i>Electronic banking and electronic funds transfer</i></b>	
Cash transactions, payment instructions, deposits and withdrawals	As paper records
Audit trails	As base transaction

#### 4.13.3 Expenditure records

<b>Cash books / sheets</b>	
Expenditure sheets	6 years
Cash books / sheets	6 years
<b>Petty cash records</b>	
All petty cash records including receipts and summary cash books.  Where spreadsheets are kept instead on a cash book then these can be held electronically and a hard copy is not required.	2 years
<b>Creditors</b>	
Creditors history records and reports	6 years
<b>Credit and debit note books</b>	
Credit notes	6 years
Debit note books	2 years
<b>Vouchers</b>	
Travel warrants	2 years
Vouchers including purchase orders, requisitions, invoices payable and received	6 years (if not processed via e-proc / e-invoicing)
Delivery Notes	1 year
<b>Costing records</b>	
CEDAR Stock Records	2 years

#### 4.13.4 Ledger records

<b>General and subsidiary ledgers</b>	
General and subsidiary ledgers for the purpose of preparing certified statements or published information	6 years
Other ledgers (e.g. cost ledgers)	2 years
Creditors ledgers	6 years
Audit sheets for ledger postings	2 years
<b>Journals</b>	
Journals – prime records for the raising of charges	6 years (if authorised on a manual form)
Journals – routine adjustments	2 years
<b>Trial balances and reconciliations</b>	
Year end balances, reconciliations and variations to support ledger balances and published accounts	6 years

#### 4.13.5 Receipts and revenue records

<b>Receipt / remittance books</b>	
Receipt books, office copy of receipts	6 years
Debit / Credit card receipts using Paris Payments System	6 months
Debit / Credit card receipts using merchant bank system	6 months
Postal remittance books / records	6 years
Stamp duty / VAT receipt books / records	6 years
<b>Cash registers</b>	
Cash register audit rolls (x and z readings)	2 years
Cash register analysis and summary records (Paris End of Day Reports)	2 years
<b>Debtors records</b>	
Copies of invoices– includes invoices paid and invoices unpaid and registers of invoices – debtors ledgers	6 years
Source documents / records used for raising invoices	6 years
Records relating to unrecoverable revenue, debts and overpayments – includes register of debts written off, register of funds etc.	6 years

#### 4.13.6 Salary and related records

<b>Salary records</b>	
Employee pay history records / payroll source documentation	3 years
Leavers pay history records / source documentation	3 years
Salary rates register – Payroll System History	Until superseded
Emergency Payments	6 years
Copies of salary / wages / payroll sheets	2 years (if signed manually)

#### 4.13.7 Stores and services records

<b>Stores records</b>	
Goods inward books / records	6 years
Delivery dockets	2 years
Stock / stores control cards, sheets and records	2 years
Stocktaking sheets / records	2 years
<b>Purchase order records</b>	
E-procurement orders and Cedar POP order records	6 years
<b>Requisition records</b>	
E-Procurement and Cedar POP requisition records	2 years

#### 4.13.8 Contract and tender documentation

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All tender documents and analysis	6 years
Formal contracts	6 years
All quotations/ concessions documentation and analysis	2 years

**4.13.9 External Funded Schemes – including Single Regeneration Budget, New Opportunities Fund and Neighbourhood Renewal Fund**

“Building” Records, e.g. plans of grant-refurbished buildings	16 years min
Prime finance documents e.g. original invoices, receipts and other relevant documents relating to claims	7 years*
<b>* from the date of the document</b>	
Personnel records	5 years
Legal Documents	In Perpetuity

Auditors will want to see **originals** of invoices, receipts, activity records etc.

**If you don’t have records you may have to pay money back** – even if the project has ended.

Don’t throw anything away.

**4.14 Contacts**

**Business and Financial Planning**

Steve Thompson      Director of Resources      8505

**Budgetary Control**

Phil Redmond      Chief Accountant      8510

Corporate Finance Team

Mark Golden      Finance Manager      8955

Finance Team (Children, Adults and Families)

Kirsten Whyatt      Finance Manager (Mon to Wed)      8601

Finance Team (Leisure & Operational Services & Places)

Steve Maher      Finance Manager (Wed to Fri)      8600

Finance Team (Leisure & Operational Services & Places)

# **Appendix 2f**

**Reservation of Powers to the Executive**

**and**

**Corporate Scheme of Delegation**

## **CONTENTS**

- 1. Introduction**
- 2. Reservation of Powers to the Executive**
- 3. Delegation to Committees**
- 4. Scrutiny Function**
- 5. Scheme of Delegation to Officers**
- 6. Corporate Scheme of Delegation**



## **1. Introduction**

The purpose of this document is to define the powers and authorisation limits available to Members and officers within Blackpool Council regarding financial matters to which the Council as an entity is held accountable by the Department for Communities and Local Government. The Executive as the decision-making cabinet remains accountable for all of the Council's functions, even those delegated to the Leader and Portfolio Holders, and therefore expects to receive information about the exercising of delegated functions to enable it to maintain a monitoring role.

### **1.1 Roles of the Chief Executive and the Director of Resources**

All powers of the Council, which have not been retained as reserved by the Executive or delegated to a committee or sub-committee, shall be exercised on behalf of the Council by the Chief Executive who, as Head of the Paid Service, is accountable to the Leader of the Council. However, section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should *make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs*. At Blackpool Council the Director of Resources is charged with this role and shall prepare a Corporate Scheme of Delegation identifying which functions he shall perform personally and which functions shall be delegated to other Directors and officers. All powers delegated by the Director of Resources can be re-assumed by him should the need arise. The S.151 officer is accountable directly to the Secretary of State.

### **1.2 Caution over the Use of Delegated Powers**

Powers are delegated to Directors and officers on the understanding that they would not exercise delegated powers in a matter which in their judgement was likely to be a cause for public concern.

### **1.3 Directors' Ability to Delegate Their Own Delegated Powers**

The Corporate Scheme of Delegation shows only the 'top level' of delegation within the Council. The Scheme is to be used in conjunction with the system of budgetary control and other established procedures within the Council besides providing the basis for local schemes of delegation.

### **1.4 Absence of Directors or Officers to Whom Powers Have Been Delegated**

In the absence of a Director or officer to whom powers have been delegated those powers shall be exercised by that Director or officer's superior unless alternative arrangements have been approved by the Executive. If the Chief Executive is absent, powers delegated to him may be exercised by the Leader after taking appropriate advice from the Director of Resources.

## **2. Reservations of Powers to the Executive**

### **2.1 Medium-term Financial Strategy, Business Plans and Budgets**

Definition of the strategic aims and objectives of the Council:

- annual approval of plans in respect of the application of available financial resources for the Revenue Budget and Capital Programme
- overall approval of treasury management and investment strategies
- approval and monitoring of the Council's policies and procedures for the management of risk.

### **2.2 Direct Operational Decisions**

- acquisition, disposal or change of use of land and/or buildings
- the introduction or discontinuation of any significant activity or operation. An activity or operation shall be regarded as significant if it has a gross annual income or expenditure (before any set-off) in excess of £250,000
- approval of individual compensation payments over £50,000
- to agree action on litigation against or on behalf of the Council.

### **2.3 Financial and Performance Reporting Arrangements**

- continuous appraisal of the affairs of the Council by means of the receipt of reports as it sees fit from committees, Directors, heads of service and other officers of the Council as set out in management policy statements. All monitoring returns and performance indicators required by central government and the Audit Commission shall be reported at least in summary to the Executive

## **3. Delegation to Committees**

The Executive may determine that certain of its powers shall be exercised by standing committees. The composition and terms of reference of such committees shall be that determined by the Executive from time to time taking into account where necessary the requirements of the Secretary of State and/or the Charity Commissioners (including the need to appoint Finance and Audit Committee and a Remuneration & Terms of Service Committee). The Executive shall determine the reporting requirements in respect of these committees. Committees may not delegate executive powers to sub-committees unless expressly authorised by the Executive.

Consideration and approval of the Council's annual accounts is now undertaken by the Council's stand-alone Finance and Audit Committee.

## **Audit Arrangements**

The Executive have delegated responsibility of the following to the Finance and Audit Committee:

- to approve internal and external audit plans and arrangements and to receive reports
- consideration of the annual management letter received from the External Auditor and agreement of action on its recommendations where appropriate
- consideration of the annual report received from the Chief Internal Auditor and agreement of action on its recommendations where appropriate
- recovery plans to be reported to the Finance and Audit Committee if Officers are not delivering

## **4. Scrutiny Function**

The Council's Constitution sets out the relevant powers of the Scrutiny Committee, which include:

- the power to review or scrutinise decisions made or actions taken in connection with the discharge of Executive functions
- the power to make reports or recommendations to the Executive with respect to the discharge of any Executive functions
- the power to make reports or recommendations to the Executive on matters which affect the authority's area or inhabitants of the area
- the power to assist the Council and the Executive in the development of the policy framework and budget, subject to limitations set out in the Budget and Policy Framework Procedure Rules within the Constitution
- the power to require Members of the Executive to attend before it to answer questions.

## **5. Scheme of Delegation to Officers**

The Constitution's Rules of Procedure and the Council's Financial Regulations set out in summary the financial responsibilities of the Chief Executive, Director of Resources and other officers. This Scheme of Delegation covers in more detail financial matters delegated by the Executive to Council officers and certain other specific matters referred to in the Rules of Procedure and Financial Regulations. Other matters that could be covered in a scheme of delegation but not referred to in the above or ones which do not specify the responsible officer,

e.g. Major Emergency Plan, Health and Safety and Data Protection Act requirements, have been excluded in this document.

Each Director is responsible for the delegation within his/her Department and shall produce a local scheme of delegation for matters within it. In particular the local scheme of delegation shall include how the department's budgets and procedures for approval of expenditure are delegated.

## 6. Corporate Scheme of Delegation

All items concerning finance must be carried out in accordance with the Council's Constitution and Financial Regulations. Delegated matters in respect of decisions which may have a far-reaching effect must be reported to the Director of Resources. **The delegation shown below is the lowest level to which authority is delegated.** All values exclude VAT.

'Unit Manager' is defined as the head of a section within a division. 'Budget Manager' is defined as an employee to whom a unit manager has allocated responsibility and accountability within a locally agreed scheme of delegation.

	Delegated Matter	Authority Delegated To	Reference Documents
1.	<p><b>Maintenance/Operation of Bank Accounts</b></p> <p>Opening and closing of any bank and/or investment account</p>	Director of Resources on written request of Chief Accountant	Treasury Management Policy
2.	<p><b>Management of Budgets</b></p> <p>(a) Responsibility for keeping expenditure within budgets</p> <ul style="list-style-type: none"> <li>• at individual budget level (pay and non-pay)</li> <li>• at service level</li> <li>• for the totality of services covered by the Director</li> <li>• for all other areas</li> </ul>	<p>Budget Manager or Unit Manager</p> <p>Head of Service or Director</p> <p>Director</p> <p>Director of Resources</p>	<p><a href="#">The Financial Toolkit for Budget Managers</a> &amp; organisational controls such as PERS01 forms and Agency Staff Approval Form</p>

	<p>(b) Reporting of monthly financial performance at months 3-10 and outturn to DMTs, CLT and Executive</p> <p>(c) Required to produce a recovery plan of up to 3 years and to be formulated where budget overspends of £75,000 or 1.5% of budget where controllable budget &gt; £5.0m</p> <p>(d) Accumulated budget virements up to £150,000</p> <p>(e) Carry forward of year-end under and overspends</p>	<p>Director of Resources/Directors</p> <p>Director -&gt; Portfolio Holder and go to Finance and Audit Committee</p> <p>Head of Service</p> <p>Director of Resources</p>	<p>Budget report</p> <p>Executive Decision of 11/02/04</p> <p><a href="#">Cash Limited Budget Regime</a></p> <p><a href="#">Cash Limited Budget Regime</a></p>
<p>3.</p> <p>(a)</p>	<p><b>Non-pay Revenue and Capital/ Ordering/Commitment of Works, Goods &amp; Services</b></p> <ul style="list-style-type: none"> <li>• commitments up to £20,000</li> <li>• commitments up to £85,000</li> <li>• commitments up to £150,000</li> <li>• commitments up to £250,000</li> <li>• commitments over £250,000</li> <li>• placements/packages of care up to £100,000 gross p.a.</li> <li>• placements/packages of care up to £250,000 gross p.a.</li> <li>• placements/packages of care over £250,000 gross p.a.</li> </ul>	<p>Budget Manager</p> <p>Head of Service</p> <p>Director</p> <p>Director of Resources or Chief Executive</p> <p>Not delegated (Executive)</p> <p>Heads of Adult or Children Social Care – Children and Adult Services</p> <p>Director of People</p> <p>Not delegated (Executive).</p>	<p>Scheme of Delegation in line with <a href="#">Contract Procedure Rules</a></p>

	<ul style="list-style-type: none"> <li>works orders up to £250,000</li> <li>Payment of Veolia invoices upto £325k</li> <li>works orders £250,000 to £500,000 (Capital schemes approved by Executive within budget)</li> <li>works orders over £250,000 (Revenue expenditure or Capital expenditure not within approved budget).</li> <li>Payment of Better Care Fund Invoices upto £600k</li> <li>Special Arrangement for Waste PFI</li> </ul>	<p>Director of Resources, Director Community and Environmental Services.</p> <p>Director Community and Environmental Services.</p> <p>Director of Resources, Director Community and Environmental Services.</p> <p>Not delegated (Executive)</p> <p>Director of People</p> <p>Due to the high value invoices for the Waste PFI, a local arrangement is in place as agreed by the Director of Resources.</p>	
(b)	Non-pay expenditure for which no specific budget has been set up and which is not subject to funding under delegated powers or virement (subject to the limits specified above in (a))	Director of Resources, subject to limit of 0.1% of authority's total net revenue budget.	Financial Procedure Rules
(c)	All contracts for goods and services and subsequent variations to contracts including termination	Head of Procurement and Development or Head of Legal Services for high value contracts and Head of Service plus 2 <sup>nd</sup> officer for low value contracts	<a href="#">Contract Procedure Rules</a>
(d)	Use of the Corporate credit card	Director of Resources PA	Corporate Credit Card Guidance & Procedures for Administrators
	Change of credit card limit	Director of Resources to provide written authorisation	

(e)	<p>Use of Corporate purchase cards</p> <p>Change of purchase card limit</p> <p>Change of card restrictions e.g. blocking/unblocking suppliers</p>	<p>to Chief Accountant</p> <p>Chief Accountant on written request of Head of Service</p> <p>Chief Accountant on written request of Director or Head of Service.</p> <p>Head of Procurement and Development</p>	<p><a href="#">Purchasing Card Users' Manual</a></p>
4.	<p><b>Capital Schemes</b></p> <p>(a) Selection of architects, quantity surveyors, consultant engineers and other professional advisors within EU regulations</p> <p>(b) Approval of all capital schemes, irrespective of funding source</p> <p>(c) Financial monitoring and reporting on all capital scheme expenditure</p> <p>(d) Granting and termination of leases of annual rent &lt;£85,000</p> <p>(e) Granting and termination of leases of annual rent &gt;£85,000</p>	<p>The appropriate Chief Officer with delegated authority or the Director of Resources or Chief Executive</p> <p>Corporate Asset Management Group</p> <p>Director of Resources or nominated deputy</p> <p>Head of Service</p> <p>Director of Resources</p>	<p><a href="#">Code of Practice for Engaging with Consultants</a></p> <p><a href="#">Asset Management Strategy</a></p> <p>Financial Procedure Rules</p> <p>Procedures being developed</p> <p>Procedures being developed</p>
5.	<p><b>Quotation, Tendering and Contract Procedures</b> (where quotations and tenders are required, below are the delegated limits for each level of officer)</p> <p>(a) Inviting a <b>minimum 3 written quotations</b> for works, goods &amp; services or approving an order for the lowest quotation received, two of which must be from a Blackpool supplier:</p>		<p><a href="#">Contract Procedure Rules</a></p>

	<p>up to £20,000</p> <p>up to £85,000</p> <p>(b) Inviting <b>formal tenders</b> for works, goods &amp; services or approving an order for the lowest tender received:</p> <p>from £85,000 to £250,000</p> <p>over £250,000</p> <p>(c) Accepting other than the lowest quote or tender:</p> <p>Goods or services</p> <p>Works</p> <p>(d) Waiving Contract Procedure Rules requiring competitive tender to allow competitive quotations</p> <p>(e) Opening tenders</p>	<p>Budget Manager or Unit Manager</p> <p>Head of Service</p> <p>Head of Service</p> <p>Director</p> <p>Head of Service in consultation with the Head of Procurement and Development</p> <p>Head of Procurement and Development</p> <p>Not delegated (Executive)</p> <p>Member of the Executive or The Mayor and the Head of Legal Services or designated deputy</p>	<p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p> <p><a href="#">Contract Procedure Rules</a></p>
6.	<p><b>Prudential Borrowing</b></p> <ul style="list-style-type: none"> <li>capital commitments of less than £50,000</li> <li>capital commitments between £50,000 and £250,000</li> <li>capital commitments above</li> </ul>	<p>Not delegated (Executive)</p>	<p><a href="#">Capital Programme 2010/11</a> &amp; Strategy Report to the Executive</p>



	£250,000		
<b>7. Income</b>			
(a)	Setting service fees & charges (excl. statutorily-prescribed) and income generation initiatives	Not delegated (Portfolio Holder)	Chief Executive decision
(b)	Setting charges for internal service level agreements	Head of Service in consultation with Director of Resources	CIPFA's <i>Fair Shares</i>
(c)	Income collection	Head of Service	<a href="#">Corporate Income and Debt Recovery Strategy</a>
<b>8. Engagement of External Staff and Consultants</b>			
(a)	External consultants where aggregate commitment in any 1 year is less than £25,000	Director	<a href="#">Code of Practice for Engaging with Consultants</a>
(b)	External consultants where aggregate commitment in any 1 year is £25,000 or more	Corporate Leadership Team	<a href="#">Code of Practice for Engaging with Consultants</a>
(c)	Bank or agency staff	Budget Manager or Unit Manager	Ref. 3(a)
(d)	Bank or agency teaching staff	Headteacher	Ref. 3(a)
<b>9. Expenditure of Charitable and Endowment Funds</b>			
	<ul style="list-style-type: none"> <li>up to £5,000 per request</li> </ul>	Trustee signatory	Individual trust deed
	<ul style="list-style-type: none"> <li>over £5,000 per request</li> </ul>	Trustee signatory and	-

		Director of Resources and to the Finance and Audit Committee for information	
<b>10. Agreements/Licences</b>			
(a) Preparation and signature of all tenancy agreements/licences	)	-	
(b) Actioning extensions to existing property leases	) Strategic Asset and Estates Surveyor	-	
(c) Letting of premises to outside organisations	)	-	
(d) Approval of rent based on professional assessment	)	-	
<b>11. Condemning and Disposal</b>			
Items obsolete, obsolescent, redundant, irreparable or cannot be repaired cost effectively			<a href="#">Contract Procedure Rules</a>
(i) with current/estimated purchase price <£100	Budget Manager or Unit Manager as Condemning Officer		
(ii) with current/estimated purchase price <£1,000	Head of Service		
(iii) with current/estimated purchase price >£1,000	Head of Procurement and Development		
(iv) disposal of mechanical and engineering plant (subject to estimated income of less than £1,000 per sale)	Director Resources or Community and Environmental Services		
(v) disposal of mechanical and engineering plant (subject to estimated income exceeding £1,000 per sale)	Head of Procurement and Development		

	<p>The use of eBay is being trialled within Waste Services and if successful, will be rolled out across other Council Services. The <a href="#">guide</a> to eBay and PayPal for Blackpool Council includes general information as well as setting up an eBay and PayPal account, payments, despatch of goods, records, monthly reconciliations and monitoring feedback together with end of year transactions, security, VAT guidance and selling to abroad.</p>		
<p><b>12. Losses, Write-offs &amp; Compensation</b></p> <p>(a)</p> <p>(b)</p>	<p>Losses and cash due to theft, fraud, overpayment and others up to £50,000</p> <p>Individual bad debts and claims abandoned:</p> <ul style="list-style-type: none"> <li>• any individual debt up to £150</li> <li>• sundry debts &lt; £5,000</li> <li>• council tax &lt; £5,000 and NNDR &lt; £10,000</li> <li>• housing rents &lt; £5,000</li> <li>• non-residential services (Adults - Social Care) &lt; £5,000</li> </ul>	<p>Director of Resources</p> <p>Unit Manager</p> <p>Director of Resources</p> <p>Head of Revenues &amp; Exchequer Services</p> <p>Head of Housing</p> <p>Director of Adult Services, Head of Adult Services and Head of Care and Support. Director of Resources</p>	<p><a href="#">Corporate Write-off Policy</a></p>

		can also write off debts < £5,000 where a client has died with no estate or funds.	
	<ul style="list-style-type: none"> <li>• housing benefits &lt; £5,000</li> </ul>	Head of Benefits	
	<ul style="list-style-type: none"> <li>• any individual debt &gt; £5,000</li> </ul>	Not delegated (Executive)	
(c)	Compensation payments made under legal obligation up to £50,000	Director of Resources	
(d)	Extra-contractual payments to contractors up to 20% of scheme value	Director of Resources, subject to total capital programme < 105%	Financial Procedure Rules
(e)	Extra-contractual payments to contractors over 20% of contract value	Not delegated (Executive)	
(f)	Ex-gratia payments to customers and staff for loss of personal effects:		
	<ul style="list-style-type: none"> <li>• up to £150</li> </ul>	Budget Manager or Unit Manager	
	<ul style="list-style-type: none"> <li>• up to £500</li> </ul>	Head of Service	
	<ul style="list-style-type: none"> <li>• over £500</li> </ul>	Director of Resources	
(g)	For personal injury claims involving negligence where legal advice has been obtained and guidance applied up to £1,000,000 (including plaintiff's costs)	Chief Executive and Director of Resources	
(h)	Other, except cases of maladministration where there was no financial loss by claimant, of up to £50,000	Director of Resources	

<b>13.</b>	<b>Reporting of Incidents to the Police</b>  Where a fraud is involved	Chief Internal Auditor	<a href="#">Anti-Fraud and Corruption Strategy</a>
<b>14.</b>	<b>Petty Cash Disbursements (Not Applicable to Central Cashiers Office)</b>		
(a)	Establishment and disestablishment of petty cash accounts	Director of Resources/ Chief Accountant on written request of Head of Service	<a href="#">Financial Regulations</a>
(b)	Expenditure up to £30 per item	Petty Cash Account Manager	<a href="#">Financial Regulations</a> <a href="#">Petty Cash Admin Manager Guidance</a> and Petty Cash User Guidance.
(c)	Reimbursement of client's monies up to £1,000	Budget Manager or Unit Manager	Children/Adults currently reviewing petty cash usage for client money reimbursement.
(d)	Reimbursement of client's monies in excess of £1,000	Head of Service	
<b>15.</b>	<b>Receiving Hospitality and Gifts</b>  Applies to both individual and collective hospitality receipt items in excess of £25.00	Declaration required in Council's Hospitality Register The individual Officer.	<a href="#">Code of Conduct</a>
<b>16.</b>	<b>Investment of Funds (including Charitable and Endowment Funds)</b>	Director of Resources	Treasury Management and

			Investment Strategies
17.	<b>Authorisation of Sponsorship Deals</b>	Monitoring Officer	-
18.	<b>Maintenance and Update of Council Financial Regulations</b>	Director of Resources	Executive decision of 17/12/03
19.	<b>Insurance Policies and Risk Management</b>	Director of Resources	<a href="#">Financial Regulations</a>
20.	<b>Maintenance and Update of Council Contract Procedure Rules, Guidance Documents and Codes of Practice</b>	Head of Procurement and Development in consultation with Portfolio Holder	Executive decision of 30/06/04

<b>Report to:</b>	<b>Executive</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Members :</b>	Councillor Simon Blackburn, Leader of the Council Councillor Christine Wright, Cabinet Member for Housing, Procurement and Income Generation Councillor Mark Smith, Cabinet Member for Business and Economic Development
<b>Date of Meeting:</b>	7 November 2016

## SOCIAL VALUE POLICY

### 1.0 Purpose of the report:

- 1.1 To consider the benchmarking research analysis by the Centre for Local Economic Strategies (CLES) on behalf of Association of Greater Manchester Authorities (AGMA) which will provide important baseline information on current performance in relation to the delivery of the key objectives in the Council's Social Value Policy.

To build on the work undertaken to date and maximise the delivery of Social Value through commissioning and procurement activity through the publication of prescriptive outputs and outcomes linked to the priorities in the Council Plan 2015-20 which can be included in all Council tenders.

To consider the introduction of a new criterion (in addition to Quality and Price) in the Council's evaluation model for assessing tenders which will allow the Council to examine the ability of prospective suppliers to deliver Sustainability and Social Value.

### 2.0 Recommendation(s):

- 2.1 To consider the analysis from the Association of Greater Manchester Authorities benchmarking study and support participation in a further similar study to be undertaken by Centre for Local Economic Strategies in 2016.
- 2.2 To agree the prescriptive outputs and outcomes detailed in Appendix 3c to this report for consideration and inclusion in all future Council tenders.

2.3 To agree the introduction of a new criterion in the Council’s Evaluation Model for assessment of tenders measuring Sustainability and Social Value with a mandatory score of 20% applied to the category.

**3.0 Reasons for recommendation(s):**

3.1 The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

Work undertaken to date has provided a solid foundation for the Council to deliver Social Value outputs and outcomes. It is evident, however, that through discussion with prospective suppliers and examination of tender responses received since the introduction of the Council’s Social Value Policy (Appendix 3a), that in order to maximise deliverables it will be necessary to agree a set of prescriptive outputs and outcomes which seek to address social, economic and community needs in the borough. This will enable more specific questions to be built into tender documents making Social Value more meaningful to prospective suppliers and strengthening the link between Council priorities and the commissioning and procurement process.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council’s approved budget? Yes

3.3 Other alternative options to be considered:

None

**4.0 Council Priority:**

4.1 The Blackpool Council Plan 2015-2020 sets out the Council’s vision for the future of Blackpool as the UK’s number one family resort with a thriving economy that supports a happy and healthy community who love and are proud of this unique town.

The Council Plan is based around two key priorities:

- **The Economy** – maximising growth and opportunity across Blackpool
- **Communities** – creating stronger communities and increasing resilience

By incorporating social value into procurement and commissioning activities, the



Council is taking a huge step towards achieving these priorities. The principle of social value also aligns with the Council's values, which inform the way the Council makes decisions, the way the Council works, and the way the Council develops and provides services to the people of Blackpool. It will also strengthen the Council's organisational resilience and reduce pressure on service budgets if the Council can seek a return in social value terms from every pound the Council spends with third party service providers and suppliers.

## **5.0 Background Information**

- 5.1 The aim of the Public Services (Social Value) Act 2012 is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, Councils give consideration to the wider impact of service delivery. It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community.
- 5.2 There is a general consensus that consideration of social value is a pre-procurement activity and that the principal point of intervention needs to be between strategic/corporate procurement teams and commissioners. It is believed that at that point, consideration can be given to the opportunity the procurement exercise can offer towards social value and the weighting that could be attached to the social value element.
- 5.3 The benchmarking research undertaken by the Centre for Local Economic Strategies in 2015 on behalf of the Association of Greater Manchester Authorities has provided a baseline for Blackpool in relation to the delivery of Social Value. A copy of the results is attached at Appendix 3b. Recommendations in the report include the need to make social value more specific in activity terms to encourage suppliers to deliver what is needed. This report seeks to implement changes to the Council's current tender and evaluation process to make social value more meaningful to the supply chain and to maximise deliverables. The Association of Greater Manchester Authorities intends to ask Centre for Local Economic Strategies to undertake a further benchmarking exercise in 2016 which Blackpool Council will participate in to measure progress over the last 12 months.
- 5.4 In order to incorporate the good practice associated with Social Value into mainstream commissioning and procurement practice, this policy and associated Social Value Framework has been embedded within all commissioning and procurement activity wherever proportionate and practicable. However, while the Social Value framework/toolkit has sought to provide advice and guidance to Council officers to build social value benefits into the commissioning and procurement process, and also supported prospective suppliers to help them demonstrate how to deliver social, economic and community benefits through contracting and tendering,

it is evident that more prescription is required to help Council officers and prospective suppliers maximise opportunities that exist. A series of outputs and outcomes which the Council is seeking to deliver linked to the Council priorities and the social, economic and community challenges currently faced within Blackpool is attached at Appendix 3c. It is proposed that these outputs and outcomes are integrated into method statement questions in tender documents, and appropriate measures to monitor delivery as part of the contract monitoring regime is introduced. These more prescriptive measures will complement the existing performance targets in the Social Value Policy and those derived from the baseline study of data commissioned by Association of Greater Manchester Authorities and completed by the Centre for Local Economies Strategies.

5.5 The criteria used to evaluate tenders is based upon two key elements 'Quality' and 'Price'. Currently within the Quality section a Social Value question is included to assess bidders' ability to deliver social, economic and community benefits. Typically, a score between 5% and 10% of the overall Quality section is applied to the question. With the introduction of more prescriptive information around Social Value detailed above in 5.4, it is proposed that a new third criteria is introduced to the Council's evaluation model to assess bidders ability to deliver 'Sustainability and Social Value' through the full term of a contract. The new criterion will have a mandatory score of 20% applied, leaving the remaining 80% of the score to be divided between the 'Quality' and 'Price' elements. It is envisaged that following this change and the agreement of prescriptive Social Value requirements a series of quantitative measures will be formed to assess this new category (eg, the number and value of new apprenticeships created, the value of materials secured through local supply chain, the number of new businesses mentored by successful medium/large organisations, the number of new employment opportunities created for Blackpool's Looked After Children, etc). This will assist bidders' to demonstrate value and focus their attention on 'Sustainability and Social Value' as a thorough response to this element of the tender could mean the difference between winning and losing the contract. The Council's Code of Practice and other associated documents will be updated to reflect this fundamental change to the evaluation model used to assess tenders.

5.6 Does the information submitted include any exempt information? No

5.7 **List of Appendices:**

Appendix 3a – Blackpool Council's Social Value Policy;  
Appendix 3b – Association of Greater Manchester Authorities  
Benchmarking Study on Social Value undertaken by CLES;  
Appendix 3c – Prescriptive Social Value needs and requirements for  
Blackpool aligned to Council priorities;

## **6.0 Legal considerations:**

6.1 The Public Services (Social Value) Act 2012 came into force on 31 January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

## **7.0 Human Resources considerations:**

7.1 None

## **8.0 Equalities considerations:**

8.1 An Equality Impact Assessment has been undertaken by Association of Greater Manchester Authorities. The themes and outcomes in section 6 of the Social Value Policy are aligned to the Council's objective of fairness and equal treatment for all. Performance measures to deliver on the six objectives in section 5 of the Policy are in place. Further Key Performance Indicators for the prescriptive measures detailed in Appendix 3c of this report will be introduced following consideration of this report.

## **9.0 Financial considerations:**

9.1 The benchmarking exercise undertaken by the Centre for Local Economic Strategies co-ordinated by Association of Greater Manchester Authorities cost £14,000 with the fee split equally between participating Councils. A further benchmarking exercise in 2016 will be funded in the same manner. Blackpool's contribution (£1,200 per study) can be met from within existing budget provision.

## **10.0 Risk management considerations:**

10.1 Whilst the Council does have a strong foundation and relevant policies and codes of practice in place to support the delivery of Social Value, it is recognised that based upon experience to date, that unless more prescription and amendments to the evaluation model currently used to assess tenders is introduced, the ability to maximise Social Value in delivery terms will be limited.

10.2 The Public Services (Social Value) Act 2012 was subject to review in 2015. Whilst the review panel did not extend the duty of the Act above and beyond service based contracts, it did encourage Public Sector organisations to examine how they can support small businesses and voluntary, charity and social enterprise organisations to bid for public contracts. The Social Value Policy is in line with the thrust of the terms

of reference of the review and it is envisaged that the further changes proposed in this report will enable the Council to strengthen the delivery of Social Value into all its commissioning and procurement processes through the adoption of a more prescriptive, focused and targeted approach to addressing social and community problems faced in the borough.

**11.0 Ethical considerations:**

11.1 The policy ensures that ethical considerations are built into all commissioning and procurement processes.

**12.0 Internal/ External Consultation undertaken:**

12.1 Review meetings with relevant procurement staff and interested parties across Association of Greater Manchester Authorities have been held.

12.2 A desk review of other Social Value policies, frameworks and research materials has been undertaken.

12.3 Case studies of best practice are being developed to inform the introduction and development of appropriate social value outcomes into commissioning and procurement process.

12.4 The AGMA Benchmarking study undertaken by Centre for Local Economic Strategies sought to engage the top 30 suppliers from each Authority to seek their response to social value deliverables and arrive at the data in their final report (see Appendix 3b).

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process?

No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

N/A

Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

## Appendix 3a

### Social Value Policy for Blackpool Council

#### 1.0 Purpose

This policy sets out the legal context for social value and the six social value objectives that Blackpool Council has agreed to deliver through commissioning and procurement activities.

The policy will be supported by a framework/toolkit which sets out the expected outcomes for each objective and provides examples of how suppliers could contribute towards these outcomes. The case study section of the framework is being developed and will provide social value examples from within and outside Blackpool.

#### 2.0 Background and Scope

The Public Services (Social Value) Act 2012 came into force on 31st January 2013. It is now a legal obligation for local authorities and other public bodies to consider the social good that could come from the procurement of services before they embark upon it.

The aim of the Act is not to alter the commissioning and procurement processes, but to ensure that, as part of these processes, councils give consideration to the wider impact of the services delivery. It allows authorities, for example, to choose a supplier under a tendering process who not only provides the most economically advantageous service, but one which goes beyond the basic contract terms and secures wider benefits for the community.

Blackpool Council is an Associate Member of AGMA (Association of Greater Manchester Authorities). AGMA has developed a template Social Value Procurement Policy to be adopted by commissioning authorities which offers a standardised approach, but can also be modified to be specific to each authority. This policy is based on the AGMA template incorporating appropriate social value outcomes into the procurement process.

It could be argued that this type of approach has been adopted as good practice across Blackpool and Greater Manchester before the Act came into force. However, together the Act and this policy provide an opportunity to deliver a cohesive yet flexible and innovative approach to generating social value through public procurement.

The statutory requirements of the Public Services (Social Value) Act 2012 only apply to public service contracts above EU thresholds. However, in order to incorporate the good practice associated with Social Value into mainstream commissioning and procurement practice, it is the intention to embed this policy and associated Social Value Framework within all commissioning and procurement activity wherever proportionate and practicable.

This policy statement sets out Blackpool Council's aims in this regard. In particular it seeks to:

- Set out a definition of Social Value for Blackpool
- Sets out the policy context for Social Value in Blackpool
- Set out the priority policy objectives

- Sets out a Blackpool Social Value Framework/Toolkit

The framework/toolkit will provide advice and guidance to Council officers to build social value benefits into the commissioning and procurement process. It will also support prospective suppliers to help them demonstrate how to deliver social, economic and community benefits through contracting and tendering. A series of outcomes which the Council is seeking to deliver which can be measured and monitored as part of the contract monitoring regime will also be included.

### 3.0 Defining Social Value

The Act does not define what is meant by 'social value'. Therefore AGMA and its members will adopt the definition of social value as set out by the Sustainable Procurement Taskforce. Social Value is defined as:

**A process whereby organisations meet their needs for good, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits not only to the organisation, but also to society and economy, whilst minimising damage to the environment.**

Social Value is something that can be embedded within the procurement at all scales for both services and capital purchasing. Consideration of Social Value is a pre-procurement activity and the principal point of intervention needs to be between strategic/corporate procurement teams and commissioners. It is believed that at that point, consideration can be given to the opportunity the procurement exercise can offer towards Social Value and the weighting that could be attached to the SV element.

### 4.0 Policy Context

The Blackpool Council Plan 2015-20 sets out the Council's vision for the future of Blackpool as the UK's number one family resort with a thriving economy that supports a happy and healthy community who love and are proud of this unique town.

The Council Plan is based around two key priorities:

- - **The Economy** – maximising growth and opportunity across Blackpool
  - **Communities** – creating stronger communities and increasing resilience

By incorporating social value into our procurement and commissioning activities, the Council is taking a huge step towards achieving these priorities. The principle of social value also aligns with the Council's values, which inform the way we make decisions, the way we work, and the way we develop and provide services to the people of Blackpool. The Council's values ensure that:

- We are **accountable** for delivering on the promises we make and take responsibility for our actions and the outcomes achieved



- We are committed to being **fair** to people and treat everyone we meet with dignity and respect
- We take pride in delivering **quality** services that are community focussed and are based on listening carefully to what people need
- We act with integrity and we are **trustworthy** in all our dealings with people and we are open about the decisions we make and the services we offer
- We are **compassionate**, caring, hard-working and committed to delivering the best services that we can with a positive and collaborative attitude

This Public Service Reform agenda sets out a collaborative and ambitious programme with two linked aims:

- to re-design public services to build the independence and self-reliance of Blackpool's residents; and,
- to collaboratively invest in public service interventions to help Blackpool Council sustainably reduce demand for their services.

These reforms are expressly designed to encourage families, individuals and communities to lead more productive and fulfilling lives. This Social Value Policy, the Blackpool and AGMA Social Value Framework that supports it and the Social Value activities that it generates will form a key element in the delivery of Public Sector Reform.

## 5.0 Social Value Objectives

The objectives of this policy reflect Blackpool Council's values and priorities as set out in the Council Plan 2012-15. They also reflect Blackpool and AGMA's definition of Social Value (set out in Section 3.0):

- **promote employment and economic sustainability** – tackle unemployment and facilitate the development of skills
- **raise the living standards of local residents** – working towards living wage, maximise employee access to entitlements such as childcare and encourage suppliers to source labour from within Blackpool
- **promote participation and citizen engagement** - encourage resident participation and promote active citizenship
- **build the capacity and sustainability of the voluntary and community sector**– practical support for local voluntary and community groups
- **promote equity and fairness** – target effort towards those in the greatest need or facing the greatest disadvantage and tackle deprivation across the borough
- **promote environmental sustainability** – reduce wastage, limit energy consumption and procure materials from sustainable sources

## 6. Social Value Framework

The framework below details a number of key outcomes against a range of themes linked to the delivery of the six objectives set out in section 5. The framework includes a series of indicators which informs suppliers and provides a basis upon which the objectives of this policy can be measured and monitored.

Objective	Outcomes: What are we trying to achieve?	What could this mean for suppliers? What could they deliver (Examples Only – this is NOT an exhaustive list)	Case Studies / the art of the possible – ideas to initiate discussions / innovations
1. Promote Employment & Economic Sustainability	Outcome 1: More local people in work	<ul style="list-style-type: none"> <li>• Create x number of new jobs in the local economy</li> <li>• Create x number of traineeships (including apprenticeships) for local residents</li> <li>• Provide x number of days of meaningful work experience for local residents</li> <li>• Support x number of people back to work by providing career mentoring for job clubs, including mock interviews, CV advice, and careers guidance</li> <li>• Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students</li> <li>• Employ x number of ex-offenders (or other group of people who typically face additional challenges in competing in the labour market)</li> </ul>	<p>Affordable Housing Schemes (Queens Park and Rigby Road)</p> <p>Central Business District (Bickerstaffe House, Sainsburys and 4 star Hotel)</p> <p>BCH Decent Homes Framework</p> <p>Property Minor Works/Day to Day framework</p>
	Outcome 2: Thriving local businesses	<ul style="list-style-type: none"> <li>• Support x number of new business start-ups by running practical workshops with enterprise clubs</li> <li>• Support the local</li> </ul>	Contract Procedure Rules stipulate that 2/3 quotations must be sourced from businesses with FY postcode

		<p>economy by spending x% of total expenditure in the local supply chain - this could be measured with tools such as LM3</p> <ul style="list-style-type: none"> <li>• Support the local supply chain by spending x% of total expenditure with businesses/organisations with an FY postcode</li> </ul>	<p>Get started service/business start-up grants</p> <p>40% of third party spend with local suppliers with an FY postcode</p>
	<p>Outcome 3: Responsible businesses that do their bit for the local community</p>	<ul style="list-style-type: none"> <li>• Attract £x worth of inward investment into the borough</li> <li>• Secure positive profile for Blackpool through x number of positive stories in the national media</li> <li>• Support the Fairtrade status by ensuring that x% of food products in the supply-chain is Fairtrade</li> <li>• Secure £x-worth of investment in, or in-kind contributions to, fuel poverty initiatives in Blackpool</li> </ul>	<p>Non-Fair Trade products (tea, coffee, sugar, etc) removed from corporate contract suppliers catalogue</p> <p>Green Deal/Affordable Warmth Lancashire wide project proposal. 12 month pilot followed by establishment of a Community Interest Company being examined.</p>
<p>2. Raise the living standard of local residents</p>	<p>Outcome 4: A Local workforce which is fairly paid and positively supported by employers</p>	<ul style="list-style-type: none"> <li>• Work towards encouraging our suppliers and service providers paying staff the Living Wage</li> <li>• Increase rates of pay for lowest-paid staff by x%</li> <li>• Improve the skills levels of existing staff by training x% of the workforce to <i>Level 2/3/4</i> (for example)</li> <li>• Reduce average sickness absence by x% through an improved health, wellbeing and support package for staff</li> <li>• Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x</li> </ul>	<p>Living Wage implemented for all Council paid employees in April 2013, and wholly owned Council companies working towards payment of Living Wage</p> <p>Suppliers Charter encourages third-party providers/suppliers to work towards payment of Living Wage</p>

		weeks of contract start date	
3. Promote Participation and Citizen Engagement	Outcome 5: Individuals and communities enabled and supported to help themselves	<ul style="list-style-type: none"> <li>• x% of service users supported to self-help</li> <li>• Coordinate and run a befriending scheme to reduce social isolation (and thus prevent the consequences of social isolation) for x number of older people</li> </ul>	Employee assistance programme
4. Build capacity and sustainability of the Voluntary and Community Sector	Outcome 6: An effective and resilient third sector	<ul style="list-style-type: none"> <li>• Contribute x number of hours of business planning support / financial advice / legal advice / HR advice to community and voluntary organisations through an Employer-Supported Volunteering scheme</li> <li>• Provide facilities for use by community and voluntary organisations for x number of hours per year</li> <li>• Work with community and voluntary organisations to create x number of new volunteering opportunities in Blackpool</li> <li>• Support local third sector organisations through the supply chain by spending x% of total expenditure with community and voluntary sector providers based in Blackpool</li> </ul>	<p>One-off grant contribution made to support the Advice Link Partnership in 2014/15</p> <p>Council to commission Infrastructure and Advice services from the Voluntary Sector in 2015/16.</p>
5. Promote Equity and Fairness	Outcome 7: A reduction in poverty, health and education inequalities.	<ul style="list-style-type: none"> <li>• Work towards encouraging our suppliers and service providers paying staff the Living Wage</li> <li>• Increase rates of pay for lowest-paid staff by x%</li> <li>• Reduce average sickness absence by x% through an improved health,</li> </ul>	<p>Living Wage implemented for all Council paid employees in April 2013, and wholly owned Council companies working towards payment of Living Wage</p> <p>Suppliers Charter encourages third-party providers/suppliers to work towards payment of Living Wage</p>

		<p>wellbeing and support package for staff</p> <ul style="list-style-type: none"> <li>Identify all staff who are carers and ensure flexible working practices are implemented to support these responsibilities within x weeks of contract start date</li> <li>Supporting young people into work by delivering employability support (e.g. CV advice, mock interviews, careers guidance) to x number of school and college students</li> <li>Reduce the cost of energy supply through collaborative switching schemes</li> </ul>	<p>Participate in national collaborative energy switching scheme</p> <p>Employee support programme/chance2shine work placements/positive steps into work schemes</p>
	<p>Outcome 8: Acute problems are avoided and costs are reduced by investing in prevention.</p>	<ul style="list-style-type: none"> <li>x% overall spend disinvested from acute interventions and reinvested in prevention</li> <li>Support prevention by running education and publicity campaigns with specific targets (e.g. support x number of staff / residents / service users to stop smoking / increase their physical activity / access money advice)</li> </ul>	<p>Year 7 junior savers account established with Blackpool, Fylde and Wyre Credit Union</p> <p>School Breakfast scheme introduced in January 2013</p>
<p>6. Promote Environmental Sustainability</p>	<p>Outcome 9: We are protecting our physical environment and contributing to climate change</p>	<ul style="list-style-type: none"> <li>Reduce the amount of waste generated by x% compared to previous contract</li> <li>Reduce the amount of waste sent to landfill by x% compared to previous contract</li> <li>Reduce carbon emissions by x% per year</li> </ul>	<p>Green Deal/Affordable Warmth Lancashire wide project proposal (CHIL). 12 month pilot followed by establishment of a Community Interest Company being examined.</p>

	reduction.	<ul style="list-style-type: none"> <li>• Reduce overall energy consumption / water consumption by x% per year</li> <li>• Increase the use of renewable energy / community generated renewable energy as a proportion of total energy consumption by x% over the lifetime of the contract (without increasing overall energy consumption)</li> <li>• Support x number of households to better manage their energy demands through improvements in the fabric of their homes, bringing them out of fuel poverty and contributing to climate change goals</li> </ul>	
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Appendix 3b CLES Benchmarking Analysis Summary

**Table 1: Percentage of direct spend with Greater Manchester suppliers**

Authority	Total spend with top 30 suppliers (£)	Spend with suppliers based or branched in own boundary (£)	Percentage of spend with suppliers based or branched in own boundary (%)
Bolton	£68,330,289.71	£31,179,554.05	45.6%
Bury	£38,026,372.58	£10,810,750.81	28.4%
Manchester	£235,031,744.89	£186,687,585.67	79.4%
Oldham	£133,590,437.30	£91,644,381.53	68.6%
Rochdale	£70,793,775.84	£30,995,001.50	43.8%
Salford	£143,909,248.95	£90,276,813.00	62.7%
Stockport	£126,771,768.29	£82,563,092.39	65.1%
Tameside	£45,117,493.41	£22,863,548.01	50.7%
Trafford	£41,171,484.94	£15,062,797.86	36.6%
Wigan	£101,115,819.30	£57,568,701.76	56.9%
Total	<b>£1,003,858,435.21</b>	<b>£619,652,226.58</b>	<b>Average 53.8%</b>
Blackpool	£38,298,252.35	£14,912,671.29	38.9%

Cheshire East	£142,693,938.72	£56,321,917.66	39.5%
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## Conclusion and Recommendations

This final section of the report presents some concluding commentary on the analysis detailed in previous sections before proffering recommendations for the Association of Greater Manchester Authorities.

### *Concluding commentary*

This research and report has sought to do two things in relation to a baseline position for the Greater Manchester Social Value Procurement Framework. First, it has sought to understand the extent to which the ten Greater Manchester authorities spend with suppliers based or with a branch in the Greater Manchester boundary (together with an understanding of Blackpool and Cheshire East Councils in their own respective boundaries). Second, it has sought to understand the social value of suppliers to the ten Greater Manchester authorities and those of Blackpool Council and Cheshire East Council across a range of indicators. The work has enabled us to understand that:

- ❑ The ten Greater Manchester authorities spend 84.8% of their procurement spend (the top 300 suppliers by value) with suppliers based or with a branch in Greater Manchester. Blackpool Council spend 38.9% of their procurement spend (the top 30 suppliers by value) with suppliers based or with a branch in Blackpool, Fylde & Wyre;
- ❑ The ten Greater Manchester authorities spend 48.5% of their procurement spend (the top 300 suppliers by value) with SMEs. Blackpool Council spend 57.7% of their procurement spend (the top 30 suppliers by value) with SMEs;
- ❑ 57% of the employees of suppliers to the ten Greater Manchester suppliers are resident in Greater Manchester. 66% of the employees of suppliers to Blackpool Council are resident in Blackpool, Fylde & Wyre;
- ❑ 93% of the suppliers to the ten Greater Manchester authorities created new jobs in the last year, with an estimated 6,756 created. 71% of the suppliers to Blackpool Council created new jobs in the last year, with an estimated 95 jobs created;



- ❑ 69% of the suppliers to the ten Greater Manchester authorities created new apprenticeship jobs in the last year, with an estimated 1,413 created. 57% of suppliers to Blackpool Council actively supported the need to create new apprenticeship jobs in the last year, although there was insufficient data in the study to estimate the actual number of apprenticeships created;
- ❑ 50% of the suppliers to the ten Greater Manchester authorities paid all their staff a Living Wage, with the lowest paid employee on average earning £7.66 per hour. 83% of suppliers to Blackpool Council paid their staff a Living Wage of £7.85 per hour. On average across responding suppliers, the lowest paid employee was on £8.38 per hour.
- ❑ 93% of the employees of suppliers to the ten Greater Manchester authorities were employed on a permanent basis. 95% of the employees of suppliers to Blackpool Council were employed on a permanent basis;
- ❑ 64% of the suppliers to the ten Greater Manchester authorities actively encouraged volunteering and community activities, with an estimated 150,443 hours offered in Greater Manchester. 60% of suppliers to Blackpool Council actively encouraged volunteering and community activities, with an estimated 1,735 hours offered in Blackpool;
- ❑ 64% of the suppliers to the ten Greater Manchester authorities actively provided support to the voluntary and community sector, with an estimated 378,944 hours offered in Greater Manchester. 60% of suppliers to Blackpool Council actively provided support to the voluntary and community sector, with an estimated 3,236 hours offered in Blackpool;
- ❑ 71% of the suppliers to the ten Greater Manchester authorities create employment opportunities for those described as 'hard to reach', with an estimated 1,640 created in Greater Manchester. 80% of suppliers to Blackpool Council create employment opportunities for those described as 'hard to reach', with an estimated 82 created in Blackpool;
- ❑ 32% of the suppliers to the ten Greater Manchester authorities measure carbon emissions, with an average emission of 1.21 of CO2 per employee. 33% of suppliers to Blackpool Council measure carbon emissions, there was insufficient data in the study to calculate an average emission of CO2 per employee;
- ❑ 82% of the suppliers to the ten Greater Manchester authorities have an environmental management strategy. 67% of suppliers to Blackpool Council have an environmental management strategy.

## **Recommendations**

### ***Recommendation 1 - ensure social value is considered as a matter of course***

Greater Manchester now has in position a Social Value Procurement Framework and a baseline position for social value for its top 300 suppliers (by value). There remains a challenge in operationalising the Framework at the various stages of commissioning of services, pre-procurement and market engagement, procurement, and during delivery of services. CLES recommends the following to address these challenges. In the commissioning of services, the Association of Greater Manchester Authorities and the individual authorities need to develop a matrix of social value activities which they would encourage suppliers to deliver upon. These would be both generic activities across all opportunities and specific activities relating to specific service areas. In pre-procurement and market engagement they should be raising awareness of the Social Value Procurement Framework with interested organisations and making them aware of the types of social value expected in bids. In procurement they should be thinking about the the proportion of tender criteria which is applied to social value. In delivery, they need to be monitoring the achievement of social value as part of contract management.

### ***Recommendation 2 – Develop process for continuous monitoring of social value***

This research has supplemented the development of the Greater Manchester Social Value Framework by developing an associated set of indicators and questions to accompany the framework of outcomes. These indicators and questions have been used to derive a baseline position for social value for a sample of 300 suppliers to the ten Greater Manchester authorities and 30 for each of Blackpool Council and Cheshire East Council. This does however not cover the entirety of the supply chain and the work has used proxies from responding suppliers to estimate for those not responding.

CLES recommends two things going forward in relation to the Greater Manchester Social Value Procurement Framework. First, the baseline position for the suppliers is updated in 2016 in order to assess any change in behaviour from the baseline position. Second, and in the longer term, the indicators and questions utilised in this report are embedded into contract management arrangements for suppliers to the ten Greater Manchester authorities and Blackpool and Cheshire East. This way, it becomes a requirement of the supply chain to provide responses to the questions rather than responding to a survey. This would enable a mature understanding of the social value of the supply chain.

### ***Recommendation 3 – Explore leakage out of the Greater Manchester economy***

This research has identified that 84.8% of the spend of the ten Greater Manchester authorities is with suppliers based in or with a branch in the Greater Manchester boundary, with the respective figures for Blackpool and Cheshire East being 38.9% and 39.5% in their own boundary. This means that there is leakage of direct spend out of local economies. CLES recommends that the Association of Greater Manchester Authorities encourages each individual authority to explore the leakage from the local economy. This should be done by sector and using SpendPro and identify spend which is leaking which is potentially 'influenceable'. By this we mean spend which

is not tied up in national frameworks or products and services which are unlikely to be sourced locally (such as energy); but products and services which can be sourced in the local economy.

Once this identification of 'influenceable' spend has been undertaken, CLES recommends that commissioners and procurement officers work with economic development officers to identify Greater Manchester or Blackpool and Cheshire East organisations which can potentially provide those activities in the future. CLES then recommends as those contracts come up to renewal that early pre-market engagement is undertaken to develop the capacity of these organisations to potentially bid for and deliver the service.

#### **Recommendation 4 – Influence the behaviour of the supply chain**

This research has identified the baseline position of suppliers to the ten Greater Manchester authorities and Blackpool and Cheshire East Council across a range of indicators associated with social value. There are a number of indicators where suppliers are clearly bringing benefits in economic, social and environmental terms notably around job and apprenticeship creation. However, there are some indicators where benefit is not as prevalent. This is particularly relevant to indicators relating to the Living Wage and the measurement of carbon emissions and other environmental factors. CLES therefore recommends that the Association of Greater Manchester authorities and the individual authorities look to influence the behaviour of the supply chain. This can be done both voluntarily through an ongoing dialogue with suppliers about their behaviour around economic, social and environmental benefit, or formally through the tender process in the form of requirements and clauses.

#### **Recommendation 5 - provide signposting for suppliers**

This research has identified that some suppliers are providing economic, social and environmental benefit alongside the delivery of goods and services and often as a result of their ethos. However, there are a number of suppliers which are not providing social value. Alongside the influencing activity detailed in recommendation 2, the Association of Greater Manchester Authorities and the individual local authorities should provide signposting to suppliers as to how they can be assisted to achieve social value. This could include: advice and support as to how they create apprenticeship opportunities (through the National Apprenticeship Service, for example); advice around how they link job opportunities to the unemployed (through JobCentre Plus and the Work Programme providers), for example; advice around how they become accredited Living Wage employers, through engaging with the Living Wage Foundation; advice upon how to measure carbon emissions (through the Carbon Footprint website (<http://www.carbonfootprint.com/calculator1.html>) for example); and advice upon how their employees can become trustees of voluntary and community sector organisations (through working with infrastructure organisations, for example)

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Appendix 3c PROCUREMENT AND SOCIAL VALUE - Proposed Prescriptive Objectives

Social Objective	Specific Ideas for Delivery	Evidence to support social value suggestion	How the responsibility would be measured or evaluated	Lead department / contact	Link to Priority / Theme of the Council Plan
Create opportunities for our service users to benefit	Development, training and employment opportunities for our Looked After Children; <ul style="list-style-type: none"> <li>• employment days</li> <li>• education events</li> <li>• work experience placements</li> <li>• apprenticeships</li> </ul>	Highest LAC numbers across the country (currently 497)	Engagement with the employer. Monitoring of specific commitment. Tracking of permanent placements with local employers.	Amanda Hatton / Vera Hadwin  Children's Services	Community Resilience
	Provide jobs for our supported employment customers (hard to reach groups)  Provide help with CV's and offer interview practice and advice (hard to reach groups)	Near double the national average for ESA allowance claimants. (12%)  Prevalence of specialist NEET cohorts e.g. teenage parents, offenders – varies between 20 and 50 in each group	Performance measure – participation numbers % of employees who would be employed via local support schemes	Peter Legg  Places	Strong Economy
Encourage social engagement through participation in positive activities	Organise events for local communities and employees to work on a social challenge or provide learning experiences	Estimates from the place survey suggest that volunteering is low in Blackpool (1 in 5)	Performance measure – participation numbers , monitoring of event records and promotional activity e.g. blogs,	Andy Divall  Governance and Partnerships	Community Resilience

Social Objective	Specific Ideas for Delivery	Evidence to support social value suggestion	How the responsibility would be measured or evaluated	Lead department / contact	Link to Priority / Theme of the Council Plan
	<ul style="list-style-type: none"> <li>• volunteer days</li> <li>• community events</li> </ul>		articles		
	Promote Keep Blackpool Tidy; <ul style="list-style-type: none"> <li>• organise a neighbourhood event</li> <li>• participate in Love my Beach campaign</li> <li>• seek to increase recycling rates</li> </ul>	56% of surveyed residents felt litter was a big problem in a KBT survey	Site inspections, or event documentation	John Paul Lovie Community and Environmental Services	Community Resilience
Raising educational attainment in the workplace/schools	Introduce a policy where all employees are given the opportunity to study and gain a nationally recognised qualification to Level 2 or above	Blackpool's educational attainment is below average	% of qualified staff in the workplace	Mike Taplin Early Help for Childrens and Families	Strong Economy and Community Resilience
	Deliver career fairs or development days at local schools	Blackpool's educational attainment is below average	Performance measure – participation numbers , monitoring of event records and promotional activity	Amanda Whitehead Schools Standards & Effectiveness	Community Resilience

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Alan Cavill, Director of Place
<b>Relevant Cabinet Member:</b>	Councillor Gillian Campbell, Deputy Leader of the Council (Tourism, Economic Growth and Jobs)
<b>Date of Meeting:</b>	7 November 2016

## **BLACKPOOL TRAMWAY EXTENSION TO BLACKPOOL NORTH STATION (SECOND REPORT)**

### **1.0 Purpose of the report:**

- 1.1 Following the resolution by Full Council on 29 June 2016 an application for an Order under the Transport and Works Act 1992 to authorise an extension of the Blackpool Tramway to Blackpool North Station was submitted to the Secretary of State for Transport on 13 July 2016. In accordance with section 239 of the Local Government Act 1972, a second approval is required from Full Council to confirm its resolution to promote the Order.

### **2.0 Recommendation(s):**

- 2.1 To recommend Council to confirm the resolution of the Council made at its meeting on 29 June 2016 to promote a Transport and Works Act Order under the Transport and Works Act 1992 to authorise an extension of the Blackpool Tramway to Blackpool North Station; and to authorise:

(1) The Director of Place, after consultation with the Deputy Leader of the Council (Tourism, Economic Growth and Jobs), to take all such steps as required for the Council to promote the Order, including dealing with any objections to the application, entering into agreements or commitments in relation to the Order.

(2) The corporate seal of the Council being affixed to any documents required to be sealed in connection with the promotion of the Order.

### **3.0 Reasons for recommendation(s):**

- 3.1 Extending the Blackpool Tramway to Blackpool North Station would facilitate:
- Connectivity and integration between the existing tramway and National Rail services at Blackpool North railway station. At present, there is no connection between the tramway which runs alongside the Promenade, and the railway

station. The tramway extension will improve connectivity both within Blackpool, and to the wider sub-region for commuters and for visitors accessing the resort;

- The use of public transport, by enabling visitors and residents to access the existing railway station from the tramway network, thus encouraging modal shift and reducing transport emissions;
- Regeneration and economic growth, by improving transport provision and accessibility to jobs and services, and improving the connectivity between the economically important seafront and the redeveloping town centre. The tramway extension will facilitate urban realm enhancements in the town centre as well as improving access for employers in Blackpool to a larger labour pool; and
- The promotion of quality of life through a safe and healthy built and natural environment.

In order to extend the Tramway, powers are needed to construct, maintain and operate the extension, and to acquire necessary land rights. The most convenient way of obtaining these power is through a Transport and Works Act Order.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

It would have been possible to apply separately for planning permission for the Extension, and to seek to acquire all the necessary land rights voluntarily. However, this is a more complex course of action than making a single application for a Transport and Works Act Order. In addition, the Transport and Works Act Order can clarify the relationship between the operating powers for the Extension and those for the existing Tramway, which would not be possible through a planning application. The 29 June 2016 Council meeting therefore resolved to pursue a Transport and Works Act Order.

#### 4.0 Council Priority:

4.1 The relevant council priority is: "The economy: Maximising growth and opportunity across Blackpool".



## **5.0 Background Information:**

- 5.1 A Transport and Works Act Order under the 1992 Act provides approval for the construction, operation and maintenance of a transport system. An Order authorises the construction of the works and provides the necessary rights over land on a permanent and temporary basis. Blackpool Council has applied for such an Order to undertake an extension to the Blackpool Tramway from North Pier to Blackpool North Station. The Order application was accompanied by a request to the Secretary of State to give a direction as to deemed planning permission, along with draft planning conditions.
- 5.2 The Order is to provide for, amongst other matters: The power to construct, maintain, and operate the tramway, including powers to keep apparatus in streets, to undertake relevant street works, to survey and investigate land, and to give the necessary rights over the land, including temporary use of land for construction and maintenance of the tramway. It will also modernise the operating powers for the existing Tramway, where appropriate.
- 5.3 The following documents were submitted:
- Letter of application
  - Draft Order
  - Explanatory Memorandum explaining the purpose and effect of each article and Schedule in the draft Order
  - Statement of aims of the proposals
  - Consultation Report summarising the consultations that have been undertaken
  - Declaration as to Status of the applicant
  - List of all consents, permissions or licences required under other enactments for the purposes of the powers sought in the application
  - Funding Statement, giving details of the applicant's proposals for funding the cost of implementing the Order
  - Estimate of cost of carrying out the works provided for in the proposed Order
  - Request for a direction under section 90(2A) of the Town and Country Planning Act 1990 including elements of the proposed development and proposed planning conditions
  - Planning statement
  - Plans and drawings comprising:
    - Location and Key Plan
    - Works and Land Plan
    - Sections
    - Traffic Regulation Plan
    - Planning Direction Drawings
  - Book of Reference relating to the Works and Land Plan

- Additional documents, comprising:
  - Air Quality Assessment
  - Flood Risk Assessment
  - Heritage Assessment
  - Transport Assessment
- Screening letter

5.4 A notice was published in the Blackpool Gazette to inform members of the public and other interested parties of the application. This notice was published on two separate occasions. The first notice was published on 11 July 2016 prior to the date of the application. The second notice was published on 18 July 2016 after the date of the application. Further notices were posted along the route of the proposed works, and sent to affected owners, occupiers and statutory consultees. The application documents were deposited in the local area (at Blackpool Central library and Fleetwood library), at instructed solicitors' offices in London and on the Council website.

5.5 After the application for the Order was submitted on 13 July 2016, there was a statutory period (which ran until 26 August 2016) where representations, supportive comments or objections could be submitted to the Secretary of State for Transport. Two representations were made by statutory undertakers (United Utilities Water Limited and National Grid Gas plc) which did not object but flagged matters to be considered by the Council in pursuing its scheme. It is proposed to make some minor changes to the draft Order as a result. Twenty six letters of support were registered. In total, seven objections were received by the Secretary of State, of which three have since been withdrawn. Of the remaining four objections, none are from a statutory objector – that is an owner or occupier of land directly affected by the application. Three of the remaining objections are from individuals who do not live on the route and the other is from the Blackpool Licensed Taxi Operators' Association.

5.6 The remaining objectors raise a range of issues, including:

- a general concern about the cost of the extension;
- concern about traffic issues on the Promenade, and between Blackpool and Lytham St Anne's;
- a suggestion that the extension should run to Blackpool South instead;
- concerns about the impact of the existing bus lane on Talbot Road;
- claims that the extension would not be attractive to passengers;
- a suggestion that a bus station should be prioritised over the extension;
- concerns about the operation of the junction between Talbot Square and the Promenade; and
- impacts on taxis.

To the extent that these issues relate to the Order, the project team is content that

they are all capable of being addressed adequately through the written representations procedure.

- 5.7 As none of the remaining objectors has a statutory right to be heard and the Secretary of State is satisfied that the issues raised by the application and the outstanding objections to it can be adequately presented and examined through the written representations procedure, the Secretary of State determined (notifying the Council by letter on 22 September 2016) not to conduct a local public inquiry, but to follow the written representations procedure.
- 5.8 The written representations procedure (as set out in rule 24 of the Transport and Works (Applications and Objections Procedure) (England and Wales) Rules 2006) provides an opportunity for those wanting to take their representations and comments further to put forward their views in full. Likewise, the Council will be able to set out its case for the scheme. The procedure involves the submission and exchange of representations in writing. The Council submitted its representations on each of the objections, along with evidence and supporting documentation, to the Secretary of State by 21 October 2016. These were passed on to the objector who has until 18 November 2016 to respond. The Council then has until 9 December 2016 to make any further representations. At this point – or earlier if at any stage either the Council or objectors confirm that they do not wish to respond further – the Secretary of State may proceed to decide whether to grant the application for the Order, and whether any changes to it are required. The Secretary of State may also request further information at this stage, if he feels that this is needed to determine the application.
- 5.9 The Secretary of State’s decision will be given in writing. It will also be advertised and those who participated in the written representations procedure will be sent a copy of it.
- 5.10 Does the information submitted include any exempt information? No
- 5.11 **List of Appendices:**
- None
- 6.0 Legal considerations:**
- 6.1 Preparation and submission of the application for the Order accorded with all relevant procedures and processes, guided and led by a Parliamentary Agent. The resolution recommended in this report is the second of two such resolutions required to make the application for the Order, the first being made on at its meeting on 29 June 2016.

6.2 By virtue of Section 20 of the 1992 Act, local authorities have the power to apply for Transport and Works Act Orders. In conjunction with other ancillary consents, such an Order would provide the Council with the necessary authorisation to build, maintain, and operate a relevant scheme. The power to promote an Order is, by virtue of s.20 of the 1992 Act and s.239 of the Local Government Act 1972, subject to the same conditions as would apply to a local authority were it to promote a Bill in Parliament. This means that the resolution to apply for an Order must be passed at a meeting of the Full Council and confirmed at a further meeting of Full Council after the application has been made. The first resolution was passed by Full Council at its meeting on 29 June 2016, by 26 votes to 11, with one abstention, and subject to the approval of the Executive, it is anticipated that the second resolution will be considered on 23 November 2016. In each case the necessary resolutions must be passed by a majority of the Full Council (i.e. not a majority of those present, but a majority of all Members).

**7.0 Human Resources considerations:**

7.1 Staff time will be needed to produce documentation and manage the process, which can be found internally and through necessary specialist consultancy support.

**8.0 Equalities considerations:**

8.1 None

**9.0 Financial considerations:**

9.1 The cost of preparing and submitting the application for a Transport and Works Act Order does not deviate from information provided in Executive Decision Notice EX30/2014.

**10.0 Risk management considerations:**

10.1 For the project to proceed, it is vital that the required resolutions are passed by a clear majority of members of the authority. If the required resolutions are not made, the application cannot be progressed.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 A stakeholder and public consultation process was undertaken as documented in the

Consultation Report forming part of the application for the Order. Statutory consultees (including the Environment Agency, Natural England, and Blackpool Council (Flood Risk)) have also been consulted. None of those statutory bodies have raised any issues with the scheme.

12.2 Additionally, the proposal was featured in the Spring 2016 edition of Your Blackpool. A public exhibition was held in Blackpool to coincide with the submission of the application in July 2016. Further, as noted above, various notices were posted and sent and application documents were made available for public consideration, during the 42 day objection period.

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Alan Cavill, Director of Place
<b>Relevant Cabinet Member</b>	Councillor Mark Smith, Cabinet Member for Business and Economic Development
<b>Date of Meeting:</b>	7 November 2016

## ACQUISITION OF PROPERTIES- 2, 4, 6 AND 8 LEOPOLD GROVE

### 1.0 Purpose of the report:

1.1 Purchase of properties adjacent to the Winter Gardens Blackpool which would complement any future development of Winter Gardens.

### 2.0 Recommendation(s):

2.1 To approve the purchase, at market value, and demolition of 2,4,6 and 8 Leopold Grove funded using Prudential Borrowing on the terms as set out in paragraph 9.1.

2.2 To surface the cleared area and use for parking and site compound.

### 3.0 Reasons for recommendation(s):

3.1 The buildings are adjacent the Winter Gardens and would complement any future development.

The properties have been vacant for some time the control of the properties allows the Council to demolish the properties to improve the area.

The properties are adjacent to the proposed new conference centre at the Winter Gardens.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

To not purchase although this would mean the Council:

Would be unable to demolish the properties

Cannot consider inclusion in any future development of the adjacent Winter Gardens.

**4.0 Council Priority:**

4.1 The relevant council priority is: “The economy: Maximising growth and opportunity across Blackpool”.

**5.0 Background Information**

5.1 An opportunity has arisen whereby the Council would be able to purchase the properties off market. This provides for the Council to purchase the properties without entering into any bidding rounds and meet market value expectations.

5.2 The properties were last used as Solicitors’ offices and have been vacant for some years and have fallen into a state of disrepair.

5.3 The properties are directly adjacent the Winter Gardens separated by the road on Leopold Grove, the opportunity allows the Council to consider further opportunities at the Winter Gardens including using the space for the Conference Centre proposal. With the demolition of the former furniture store (part of the Winter Gardens complex) and the further availability of land provides for greater development opportunities.

5.4 As the space is directly adjacent the Winter Gardens the derelict site in its current form detracts from the Blackpool Museum and conference centre proposals.

5.5 After demolition, the cleared site could be used as a site compound during the build phase of the conference centre and Blackpool museum, for parking of goods vehicles supporting shows and for pay and display car parking for the town centre.

5.6 Does the information submitted include any exempt information? Yes

**5.7 List of Appendices:**

Appendix 5a – Financial Statement (Restricted)



**6.0 Legal considerations:**

6.1 The Council would purchase the properties from East London Investments Ltd who hold an option on the properties from the freeholder.

6.2 The properties would be purchased with vacant possession.

**7.0 Human Resources considerations:**

7.1 None

**8.0 Equalities considerations:**

8.1 None

**9.0 Financial considerations:**

9.1 The purchase will be funded from the Prudential Borrowing over 50 years and the management and demolition will be funded from the same budget. It is expected the acquisition demolition and fees will cost a total of £557,000 which will be re-paid from the income generated from the site. Any shortfalls in income will be met from within the parking budget

**10.0 Risk management considerations:**

10.1 The Council will have to insure the property and arrange security until demolition can be organised.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 None

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? Yes

14.2 If so, Forward Plan reference number: 19/2016

14.3 If a key decision, is the decision required in less than five days? No

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: 28 October 2016 Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

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By virtue of paragraph(s) 1 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	7 November 2016

## TREASURY MANAGEMENT HALF-YEARLY PROGRESS REPORT TO THE 30 SEPTEMBER 2016

### 1.0 Purpose of the report:

1.1 The Treasury Management Half-Yearly Progress Report for the year ended 30th September 2016 and its annexes 1 to 7.

### 2.0 Recommendation:

2.1 To note the report concerning Treasury Management activities for the six months to September 2016.

### 3.0 Reasons for recommendation:

3.1 The Council has already adopted CIPFA's Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition). A feature of the Code is that periodic reports on Treasury Management activities are submitted to the Executive and the report, circulated under separate cover, relates to Treasury Management activities for the six months to 30<sup>th</sup> September 2016.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None

**4.0 Council Priority:**

4.1 The relevant Council Priority is: “The economy: Maximising growth and opportunity across Blackpool”

**5.0 Background Information**

5.1 The Council has adopted CIPFA’s Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition). A feature of the Code is that periodic reports on treasury management activities are prepared. This report relates to treasury management activities for the six months to 30 September 2016 and its content is reflective of the scale of the Council’s current Capital Programme.

5.2 Does the information submitted include any exempt information? No

**5.3 List of Appendices:**

Appendix 6a: Report on Treasury Management for the six months to 30 September 2016

Annex 1 – Bank of England Official Base Rate October 2007 to September 2016

Annex 2 – Borrowing Rates September 2006 to September 2016

Annex 3 – External Debt Fallout Chart as at 30<sup>th</sup> September 2016

Annex 4 – Summary Statistics for April to September 2016

Annex 5 – Interest Earned on Temporary Investments 2016/17

Annex 6 – Prudential Indicators 2016/17

Annex 7 – Authorised Limit and Operational Boundary, Prudentially, funded schemes 2016/17

**6.0 Legal considerations:**

6.1 None

**7.0 Human Resources considerations:**

7.1 None.

**8.0 Equalities considerations:**

8.1 None.

**9.0 Financial considerations:**

9.1 Please see the Report and its Annexes 1 to 7.



**10.0 Risk management considerations:**

10.1 Interest rate movements and planned debt fallouts and amounts and the nature of borrowing to fund capital expenditure.

**11.0 Ethical considerations:**

11.1 None.

**12.0 Internal/ External Consultation undertaken:**

12.1 With the Council's Treasury Management Panel.

**13.0 Background papers:**

13.1 None.

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed:

Date approved:

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members in attendance:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1

**BLACKPOOL COUNCIL**  
**REPORT**  
**of the**  
**DIRECTOR OF RESOURCES**  
**to the**  
**EXECUTIVE**  
**on**  
**7 NOVEMBER 2016**

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**TREASURY MANAGEMENT HALF-YEARLY PROGRESS REPORT**  
**TO 30 SEPTEMBER 2016**

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**1. INTRODUCTION**

The Council has adopted CIPFA's Treasury Management in Public Services Code of Practice and Cross-Sectoral Guidance Notes (2011 Edition). A feature of the Code is that periodic reports on treasury management activities are prepared. This report relates to treasury management activities for the six months to 30 September 2016 and its content is reflective of the scale of the Council's current capital programme.

On the 23<sup>rd</sup> June 2016 the UK voted to leave the European Union. The leave process is likely to take several years and will require agreement to be reached on complex areas such as trade and the free movement of people. The Bank of England expects that interest rates may fluctuate during this period and that share prices will be volatile.

**2. BORROWING TRANSACTIONS**

**2.1 Overview**

The Bank of England Official Bank Rate (ie. the 'base rate' short-term interest rate to which all interest rates are related) stood at 0.5% on 1<sup>st</sup> April 2016 (0.5% on 1<sup>st</sup> April 2015). Since the beginning of the 2016/17 financial year, the rate has stayed constant at 0.5% until 4<sup>th</sup> August 2016 when the Bank of England's Monetary Policy Committee reduced it to 0.25%. As of 30<sup>th</sup> September 2016 the rate remains at 0.25%.

Annex 1 shows movements in the base rate from November 2007 to September 2016 in order to display the recent trend.

Annex 2 shows movements in the borrowing rates available since September 2006 for Public Works Loan Board (PWL) long-term (20-25 year rates), PWLB one year and variable one month rates.

The consequences of the slow rate of economic recovery and the Government's actions to bring down the current high level of borrowing have continued to depress the financial

markets during the last 12 months. As a result the cost of short-term borrowing continues at historically low levels. The market expectation is that the bank base rate will remain low for the next 12 months and then climb gradually to more normal levels.

## 2.2 Loans Raised

The long term borrowing requirements for the 2016/17 capital programme have been deferred until such time that interest rates are judged to be favourable to the Council. This action reduces the Council's exposure to counterparty risk whilst enabling savings to be made in long-term borrowing costs. The Treasury Management Panel's view is that there will be no need to take any new long-term borrowing in the next 6 months.

Temporary borrowing has been required to deal with the normal peaks and troughs of the cash flow, including creditor payments, grant receipts, etc. It has also been used to finance any shortfalls in cash flow caused by capital expenditure. The temporary financing of capital expenditure is prudent while short-term interest rates remain low and has the advantage of minimising temporary investments and the associated counterparty risk.

## 2.3 Loans Repaid

Loans repaid include the regular repayment of £197k in respect of the Business Loans Fund and the temporary borrowing referred to in 2.2 above. Within the PWLB loans portfolio £1,776k was repaid at maturity on 30<sup>th</sup> September 2016.

## 2.4 Summary

The Council's borrowing activities for the first half-year of the financial year are summarised below:

Source of funding:	Borrowings 1 <sup>st</sup> April '16 £000s	Loans raised £000s	Loans repaid £000s	Borrowings 30 <sup>th</sup> Sep '16 £000s
PWLB	49,325	-	(1,973)	47,352
Market Loans	39,250	-	-	39,250
<b>Sub-total</b>	<b>88,575</b>	-	<b>(1,973)</b>	<b>86,602</b>
Temporary Loans	64,100	125,800	(126,900)	63,000
LGR debt with LCC	19,602	-	(392)	19,210
<b>Total borrowings (excluding PFI Schemes and finance leases)</b>	<b>172,277</b>	<b>125,800</b>	<b>(129,265)</b>	<b>168,812</b>

Annex 3 to this report shows the maturity profile for the £86.6m of long-term external loans (ie. the PWLB and market debt only from the above table) outstanding at the end of September 2016. The maturity profile is in line with the Council's approved strategy.

### **3. TRANSACTIONS FOR THE FIRST HALF OF 2016/17**

#### **3.1 Level of Investments**

Annex 4 to this report sets out an analysis of the Council's receipts and payments during the first half of the financial year. The Council's temporary investments stood at £8m on 30<sup>th</sup> September 2016. This compares with temporary investments valued at £9.9m on 30<sup>th</sup> September 2015. Temporary surplus funds are invested in accordance with the Treasury Management Strategy's requirements regarding security, liquidity and yield.

#### **3.2 Investment Earnings**

The Council takes advantage of peaks and troughs in receipts and payments by investing surplus funds over appropriate timescales within the context of the Council's overall cash flows. The actual investment interest earned to 30<sup>th</sup> September was £15k excluding interest received on the Local Authority Mortgage Schemes. Annex 5 shows a monthly analysis of interest receipts compared to budget.

#### **3.3 Approved Investment Institutions**

In order to manage prudently any surplus funds as set out within the Treasury Management Strategy the Council restricts its temporary investments to an authorised list of institutions. According to the creditworthiness of each institution, an appropriate investment ceiling has been set with each as well as a maximum investment period. The credit ratings are monitored on a regular basis and checks are made via the internet and other media sources for signs of banks and building societies in difficulty. Council officers continue to use their contacts in the money market and speak regularly with other members of the Manchester Treasury Group to obtain market intelligence.

The Treasury Management Panel includes the Director of Resources, Chief Accountant, representatives from Corporate Finance and Blackpool Coastal Housing and meets regularly throughout the year to review the list of approved investment institutions.

For banks the approved list is based on credit ratings issued by Fitch (single A categories or above, or the equivalent from other ratings agencies). The list also includes the more stable building societies, banded according to total asset size.

The proportion of temporary investments placed in the period 1<sup>st</sup> April 2016 to 30<sup>th</sup> September 2016 across the various categories of approved institutions is set out in the table below:

Type of institution invested with:	Amount £000s	% of total
UK banks & UK subsidiaries of overseas banks	88,290	65.5%
Building societies	16,600	12.3%
Debt Management Office - deposit facility	29,900	22.2%
<b>Total temporary investments placed</b>	<b>134,790</b>	<b>100.0%</b>

These values show the total of all new investments made during the six months. Due to the recycling nature of investing and lending, these values are NOT the absolute value of our portfolio of temporary investments as at 30<sup>th</sup> September 2016, which was £8m.

Annex 4 to this Report shows how the investing and maturing of temporary investments fits in with the rest of the Council's bank transactions.

### 3.4 Group Companies and Partners

During the last twelve months we have provided advice and assistance to some of our group companies and partners. In particular we have offered advice to the New Housing Company about how best to manage peaks and troughs of working capital. The Council transfers funds to the New Housing Company only when they are needed to cover property acquisition and development costs, £2.6m was been paid over by the 30<sup>th</sup> September 2016. The Council also provided £2.2m in loans to Blackpool Transport for the purchase replacement buses. Further loans of £5.5m will be provided to Blackpool Transport later in the year.

#### 4. TREASURY MANAGEMENT BUDGET MONITORING 2016/17

The month 6 financial performance monitoring report, shows a favourable forecast outturn for Treasury Management in 2016/17 of £(1,056)k. The main components of this favourable position are as follows:

	£'000s
Interest Provision on Off-Street Parking no longer required	(20)
Lower financing costs on long term debt	(845)
Temporary interest on short term loans	(191)
<b>Net (favourable)/adverse outturn forecast</b>	<b>(1,056)</b>

#### 5. PRUDENTIAL CODE FOR CAPITAL FINANCE

- 5.1 Where capital expenditure has been incurred which is financed by debt assumed under the *Prudential Code For Capital Finance In Local Authorities*, budget has been vired from the service area incurring the spend. This budget is used to pay for the additional capital financing costs which are incurred within Treasury Management as a consequence of the capital spend. In the case of Leisure Assets an actual charge for financing costs has been made to the scheme. The cost to the Council of employing its capital in these schemes arises from both the interest cost of the investment and from the subsequent need to repay the principal.

Cost savings or revenue increases within the services as a result of the capital investment will have been previously identified within a business case in order to demonstrate that these schemes are self-funding or better.

#### 5.2 Prudential Indicators

At its meeting of 25th February 2016 the Council adopted the framework set out within *CIPFA's Prudential Code For Capital Finance In Local Authorities (2011 edition)*.

The Code requires that monitoring of the Council's performance against the performance indicators (the Prudential Indicators) is reported to the appropriate decision-making body.

Annex 6 to this report shows the Prudential Indicators from 1st April 2016 to 30th September 2016, separately identifying the affordability indicators, the indicators of prudence and the treasury management indicators.

The format of these indicators is set out in the CIPFA Code of Practice.

Performance in the first half of 2016/17 is in line with expectations.

### 5.3 Capital Schemes Funded by Prudential Borrowing

Annex 7 to this report shows the headroom to the authorised (borrowing) limit and operational boundary, and identifies the expenditure on schemes which are prudentially funded by year.

## 6. RECOMMENDATION

The Executive is asked to note the report concerning treasury management activities for the first half of the 2016/17 financial year.

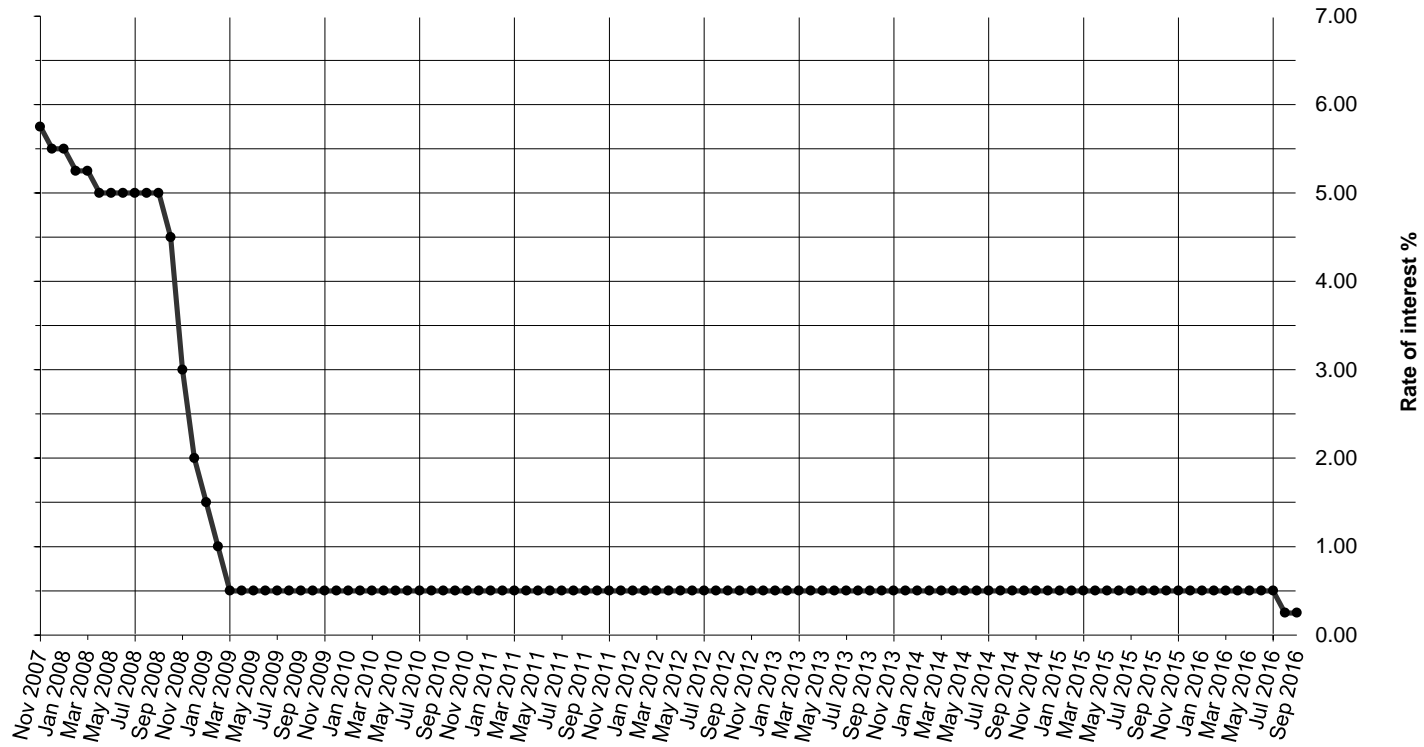
Steve Thompson

Director of Resources

7 November 2016



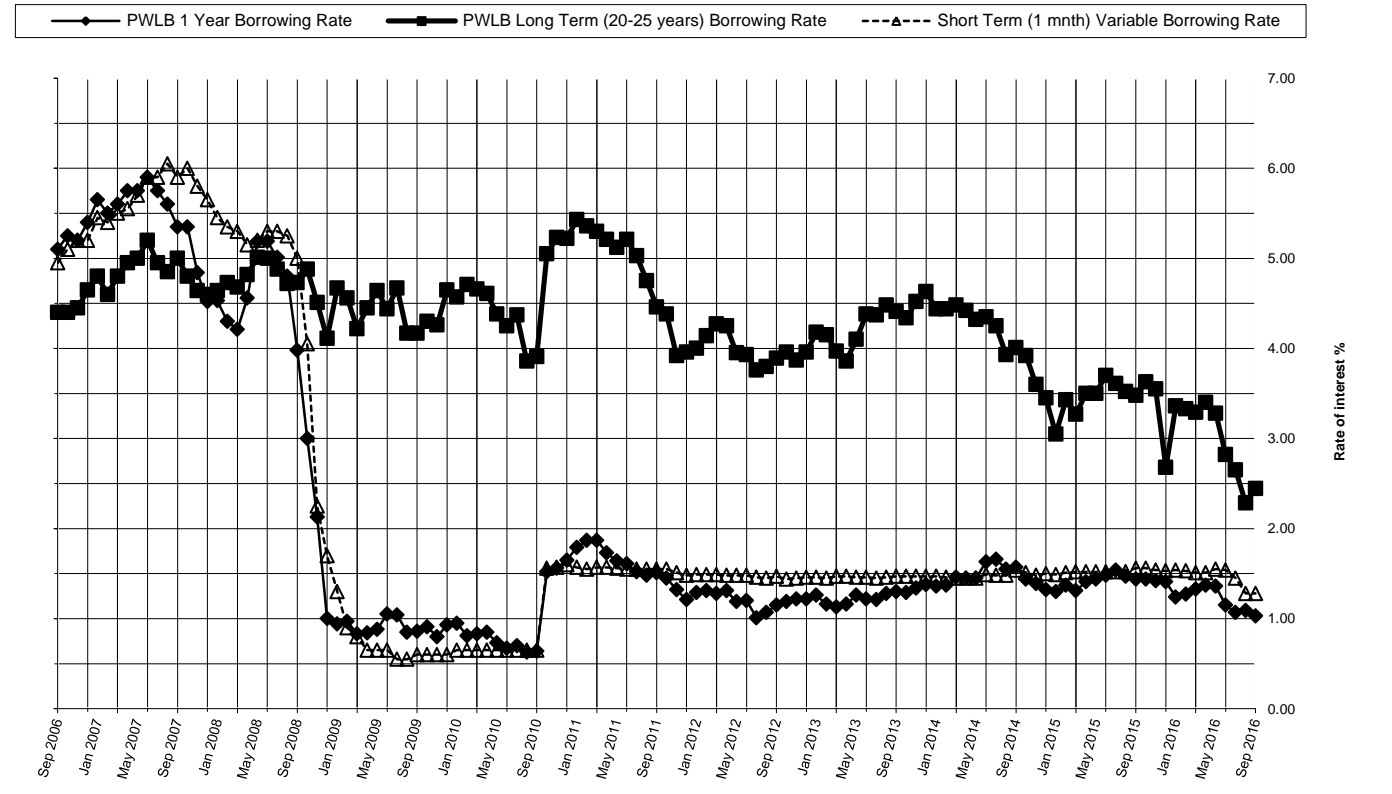
Bank of England Official Base / Repo Rates 2007 - 2016



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Annex 2

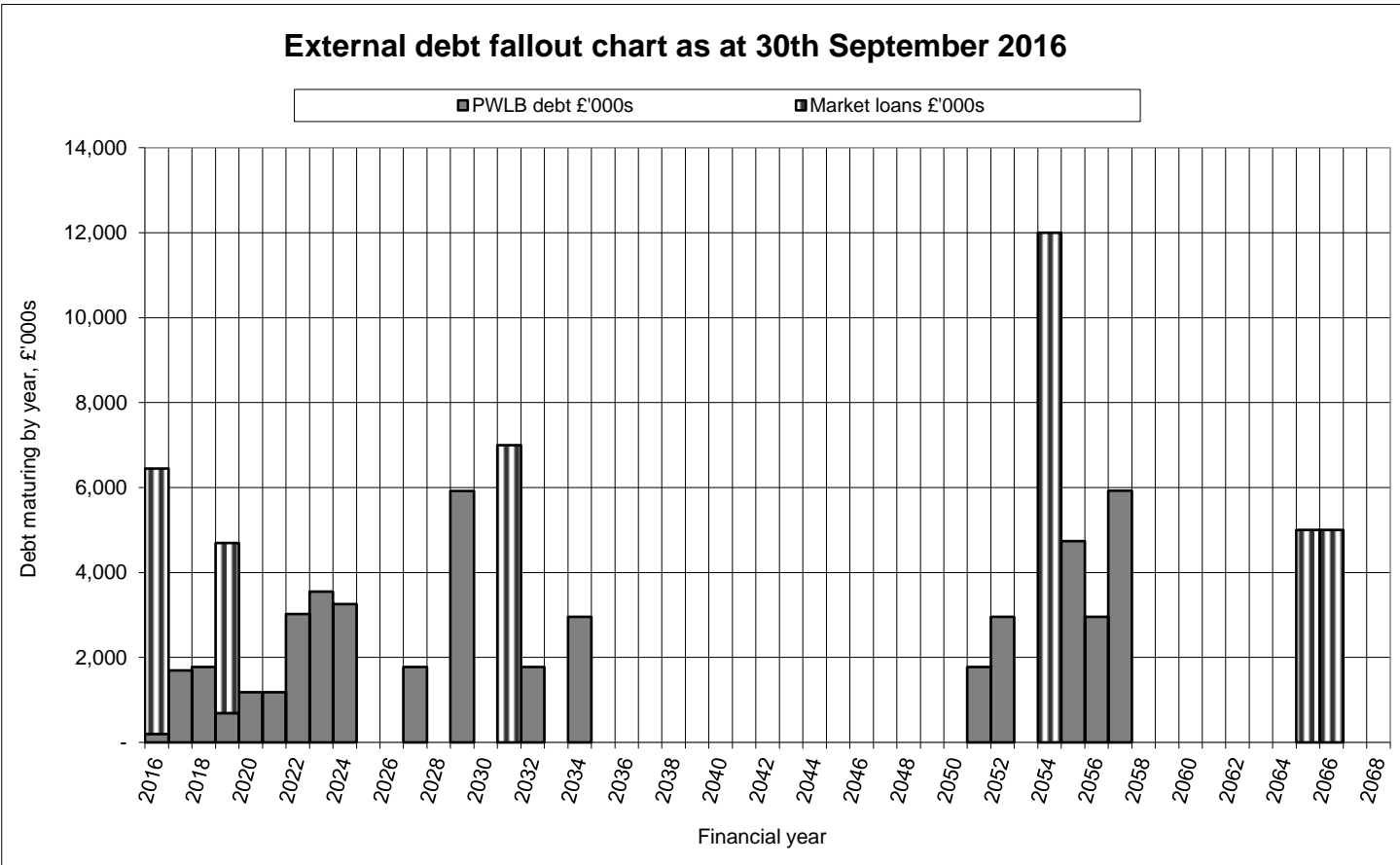
Borrowing rates available 2006 - 2016



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Annex 3

External debt fallout chart as at 30th September 2016



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## Summary Statistics for April to September 2016.

<b>OVERALL DEBT FINANCING POSITION</b>			
<b>B/Fwd</b>		<b>Change YTD</b>	<b>C/Fwd</b>
<b>1st April</b>			<b>30th Sept</b>
<b>£'000</b>		<b>£'000</b>	<b>£'000</b>
-	Investments	4,200	4,200
13,350	Bank Deposits	(9,550)	3,800
<b>13,350</b>	<b>Total Investments</b>	<b>(5,350)</b>	<b>8,000</b>
64,100	Short term loans	(1,100)	63,000
108,177	Long term loans (*)	(2,365)	105,812
<b>172,277</b>	<b>Total Loans</b>	<b>(3,465)</b>	<b>168,812</b>
<b>158,927</b>	<b>Total Loans less total investments</b>		<b>160,812</b>

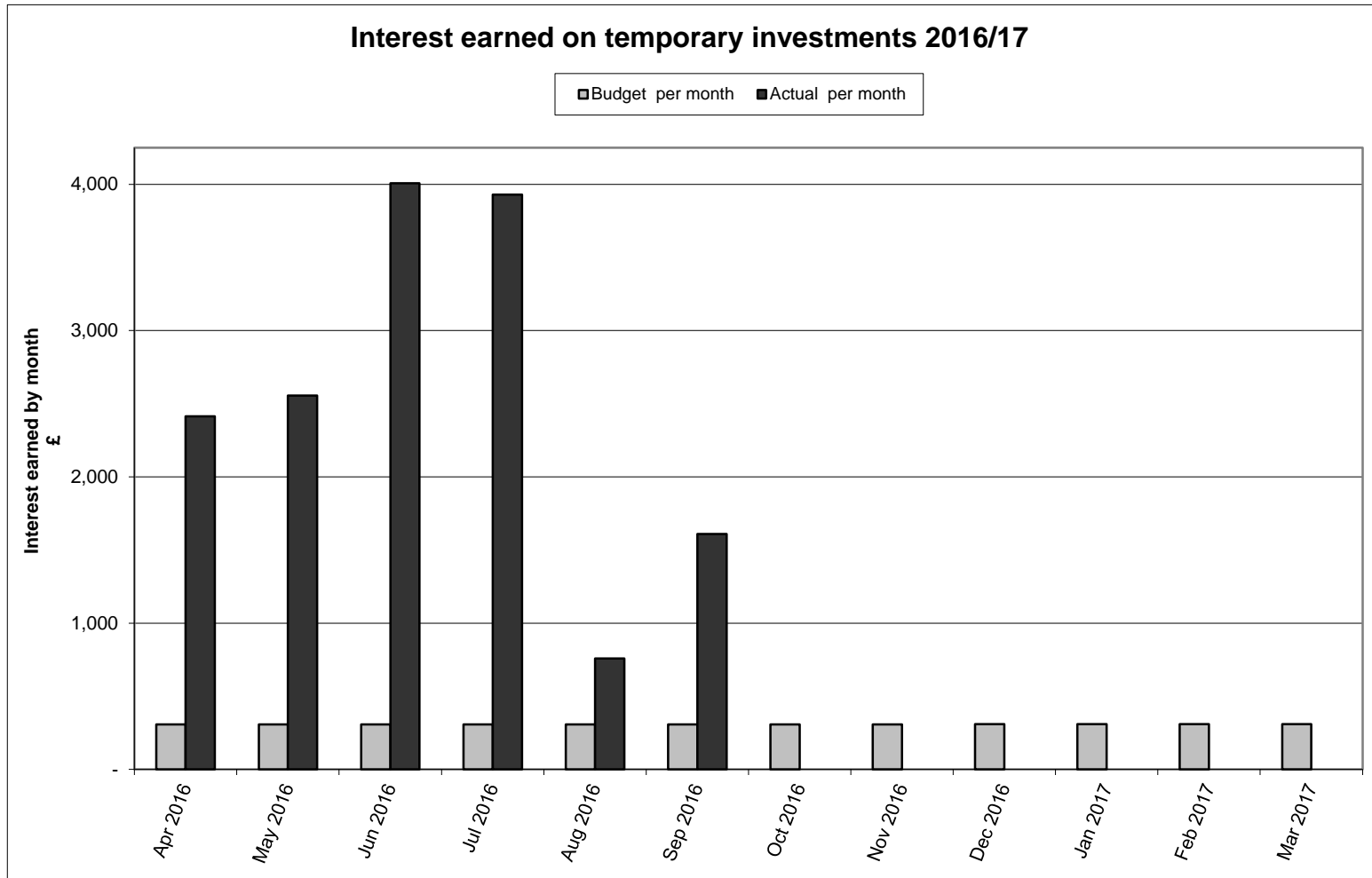
(\*) These include Local Government Reorganisation debt held on our behalf by LCC.

<b>TRANSACTIONS IN THE SIX MONTHS</b>		<b>£'000</b>
		<b>YTD</b>
<b>RECEIPTS</b>		
Loans borrowed	(**)	125,800
Investments matured	(**)	140,140
Housing Benefit		38,905
Council tax and NNDR		48,942
VAT		7,136
RSG		31,321
Other Grants		42,692
Other Income		57,386
<b>TOTAL</b>		<b>492,322</b>
<b>PAYMENTS</b>		
Police & Fire		4,434
General Creditors		142,891
Salaries & wages		47,119
Loan repayments	(**)	129,265
Investments made	(**)	134,790
Housing Benefits		34,010
<b>TOTAL</b>		<b>492,509</b>
		<b>£'000</b>
<b>Opening bank balances</b>		<b>154</b>
<b>Receipts as analysed above</b>		<b>492,322</b>
<b>Payments as analysed above</b>		<b>492,509</b>
<b>Closing bank balances: 30.9.16</b>		<b>(33)</b>

(\*\*) These values show the totals of all movements on temporary investments and loans during the six months. Due to the recycling nature of investing and lending, these values are NOT the absolute value of our portfolio of temporary balances as at 30th September 2016.

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Annex 6

**Blackpool Council**  
**Prudential Code for Capital Finance**  
**Prudential Indicators 2016/17**

<u>Council T/M Report (25.02.2016) Annex C refs.</u>	<u>Prudential Indicator</u>	<u>16/17 Full year planned PI</u>	<u>16/17 First half year actual PI</u>
<i>Prudential Indicators: the actual position 2016/17</i>			
2.4	Actual Capital Expenditure, non-HRA. 16/17	To be reported after the 31.3.17 year end.	<i>This Prudential Indicator is fully disclosed within the capital reporting.</i>
2.4	Actual Capital Expenditure, HRA. 16/17	To be reported after the 31.3.17 year end.	<i>This Prudential Indicator is fully disclosed within the capital reporting.</i>
5.2	Actual Capital Financing Requirement as at 31/03/17	<b>£271.5M.</b> (including PFI schemes)	<i>This Indicator is for the full year only and will be reported after the 31.3.17 year end.</i>
5.2	Actual External net borrowing as at 31/03/17	<b>£251.3M</b> (including PFI schemes)	<i>This Indicator is for the year end only and will be reported after the 31.3.17 year end.</i>
<i>Prudential Indicators for Affordability</i>			
2.1	The ratio of financing costs to net revenue stream, non-HRA. 16/17	<b>13.6%</b>	<b>11.1%.</b> Based on forecasted borrowing costs and revenue streams.
2.2	The ratio of financing costs to net revenue stream, HRA. 16/17	<b>3.0%</b>	<b>2.9%.</b> Based on forecasted borrowing costs and revenue streams.
Capital 1.5	Estimates of the incremental impact of capital investment decisions on the Council Tax, non-HRA. 16/17	This Prudential Indicator is disclosed within the capital reporting.	<i>This Prudential Indicator is disclosed within the capital reporting.</i>
Capital	Estimates of the incremental impact of capital investment decisions on housing rents, HRA. 16/17	This Prudential Indicator is disclosed within the capital reporting.	<i>This Prudential Indicator is disclosed within the capital reporting.</i>

**Annex 6**

<u>References</u>	<u>Prudential Indicator</u>	<u>16/17 Full year planned PI</u>	<u>16/17 First half year actual PI</u>																														
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Capital	Capital Expenditure (including capital commitments), non-HRA. 16/17	This Prudential Indicator is disclosed within the capital reporting.	<i>This Prudential Indicator is disclosed within the capital reporting.</i>																														
Capital	Capital Expenditure (including capital commitments), HRA. 16/17	This Prudential Indicator is disclosed within the capital reporting.	<i>This Prudential Indicator is disclosed within the capital reporting.</i>																														
5.7	Authorised Limit. 16/17	(*) Borrowing no higher than <b>£198.0M</b> (*) Long Term Liabilities no higher than <b>£73.0M</b>	<b>Current y/e forecast is £172.M</b> <b>Current y/e forecast is £73.0M</b>																														
5.7	Operational Boundary. 16/17	(*) Borrowing no higher than <b>£186.0M</b> (*) Long Term Liabilities no higher than <b>£73.0M</b>	<b>Current y/e forecast is £172.0M</b> <b>Current y/e forecast is £73.0M</b>																														
3.4	Net borrowing and the Capital Financing Requirement.	<b>Borrowing &lt; estimated CFR except in the short term.</b>	<i>This Indicator is being complied with.</i>																														
3.3	Estimates of the Capital Financing Requirement, non-HRA. 31.3.17	<b>£260.1M.</b> Per Budget workings. Including PFI schemes.	<b>£260.1M.</b>																														
3.3	Estimates of the Capital Financing Requirement, HRA. 31.3.17	<b>£11.4M.</b>	<b>£11.4M.</b>																														
<i>Prudential Indicators for Treasury Management</i>																																	
1.3	Adoption of the CIPFA Code of Practice and Cross-Sectoral Guidance Notes on Treasury Management - 2011 Edition.	<b>Adopted.</b>	<b>Adopted.</b>																														
8.8 (Annex B)	Gross Debt Compared to Capital Financing Requirement:	<b>Gross Debt: £251.3M, CFR: £271.5M</b>	<b>Current y/e forecast is: Gross Debt £245M, CFR £271.5M</b>																														
8.8 (Annex B)	Variable interest rate exposure. Upper limit. 16/17	<b>£112M</b>	<b>£112M</b>																														
8.8 (Annex B)	Fixed interest rate exposure. 16/17	<b>£271M</b>	<b>£56.8M</b>																														
8.8 (Annex B)	Prudential limits for the maturity structure of fixed interest rate borrowing.	<table border="1"> <thead> <tr> <th></th> <th>Lower limit</th> <th>Upper limit</th> </tr> </thead> <tbody> <tr> <td>&lt; 12 months</td> <td><i>Nil%</i></td> <td><b>18%</b></td> </tr> <tr> <td>12 to within 24 mths</td> <td><i>Nil%</i></td> <td><b>18%</b></td> </tr> <tr> <td>24 mths, within 5 yrs</td> <td><i>Nil%</i></td> <td><b>30%</b></td> </tr> <tr> <td>5 to within 10 years</td> <td><b>2.0%</b></td> <td><b>60%</b></td> </tr> <tr> <td>10 to within 30 years</td> <td><b>2.0%</b></td> <td><b>70%</b></td> </tr> <tr> <td>30 years and above</td> <td><b>15.0%</b></td> <td><b>90%</b></td> </tr> </tbody> </table>		Lower limit	Upper limit	< 12 months	<i>Nil%</i>	<b>18%</b>	12 to within 24 mths	<i>Nil%</i>	<b>18%</b>	24 mths, within 5 yrs	<i>Nil%</i>	<b>30%</b>	5 to within 10 years	<b>2.0%</b>	<b>60%</b>	10 to within 30 years	<b>2.0%</b>	<b>70%</b>	30 years and above	<b>15.0%</b>	<b>90%</b>	<table border="1"> <thead> <tr> <th></th> <th>Actual</th> </tr> </thead> <tbody> <tr> <td rowspan="6"><i>This indicator is being complied with.</i></td> <td><b>7.4%</b></td> </tr> <tr> <td><b>2.0%</b></td> </tr> <tr> <td><b>8.8%</b></td> </tr> <tr> <td><b>12.7%</b></td> </tr> <tr> <td><b>22.4%</b></td> </tr> <tr> <td><b>46.7%</b></td> </tr> </tbody> </table>		Actual	<i>This indicator is being complied with.</i>	<b>7.4%</b>	<b>2.0%</b>	<b>8.8%</b>	<b>12.7%</b>	<b>22.4%</b>	<b>46.7%</b>
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8.7 (Annex B)	Prudential limits for principal sums invested for periods longer than 364 days.	Not permitted; see Treasury Management Investment Strategy.	<i>This Indicator is being complied with.</i>																														

\* The figure for Borrowing includes the Capital Teams figures for PFI schemes.

## Blackpool Council

## Authorised Limit and Operational Boundary Control, Prudentially funded schemes, 2016/17

	LCC/ex-LCC debt	External Debt		Total External Debt
		Borrowing	Liability against finance leases & PFI schemes	
	£'000	£'000	£'000	£'000
<b>Total Debt @ 1st April 2016</b>	19,602	152,675	73,000	245,277
New long-term borrowing/finance leases taken out YTD 16/17	-	-	-	-
New short-term borrowing taken out YTD 15/16		125,800		125,800
less: Borrowing repaid YTD 16/17	(392)	(128,873)	-	(129,265)
<b>All debt outstanding as at 30th September 2016</b>	<b>19,210</b>	<b>149,602</b>	<b>73,000</b>	<b>241,812</b>
New short-term borrowing expected before year end	-	82,000	-	82,000
less: Borrowing expected to be repaid before year end	(392)	(78,448)	-	(78,840)
<b>Therefore (debt) forecast @ 31st March 2017</b>	<b>18,818</b>	<b>153,154</b>	<b>73,000</b>	<b>244,972</b>
Authorised limit, 16/17		198,000	73,085	271,085
<b>Therefore, headroom to Authorised limit 16/17</b>		<b>44,846</b>	<b>85</b>	<b>26,113</b>
Operational boundary, 16/17		186,000	73,085	259,085
<b>Therefore, headroom to Operational boundary 16/17</b>		<b>32,846</b>	<b>85</b>	<b>14,113</b>

Annual Capital Expenditure funded by prudential borrowing

	Year	Total Value of Prudential Schemes	Source of funding (Prudential borrowing or finance leasing)
		£'000	
Prudential Schemes	2004/05	5,933	Borrowing
Prudential Schemes	2005/06	6,272	Borrowing
Prudential Schemes	2006/07	717	Borrowing
Prudential Schemes	2007/08	1,334	Borrowing
Prudential Schemes	2008/09	703	Borrowing
Prudential Schemes	2009/10	16,726	Borrowing
Prudential Schemes	2010/11	3,080	Borrowing
Prudential Schemes	2011/12	39,723	Borrowing
Prudential Schemes	2012/13	11,884	Borrowing
Prudential Schemes	2013/14	41,323	Borrowing
Prudential Schemes	2014/15	6,112	Borrowing
Prudential Schemes	2015/16	1,867	Borrowing
Prudential Schemes	2016/17 (forecasted)	19,000	Borrowing
<b>Cumulative prudentially funded expenditure</b>		<b>154,674</b>	

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<b>Report to:</b>	<b>EXECUTIVE</b>
<b>Relevant Officer:</b>	Steve Thompson, Director of Resources
<b>Relevant Cabinet Member:</b>	Councillor Simon Blackburn, Leader of the Council
<b>Date of Meeting:</b>	7 November 2016

## FINANCIAL PERFORMANCE MONITORING AS AT MONTH 5 2016/17

### 1.0 Purpose of the report:

1.1 The level of spending against the Council's Revenue and Capital budgets for the first 5 months to 31<sup>st</sup> August 2016.

### 2.0 Recommendation(s):

2.1 To note the report

2.2 To require the respective Directors and Director of Resources to continue to closely monitor and manage financial and operational performances, specifically Children's Services, Strategic Leisure Assets, Concessionary Fares and Property Rationalisation.

### 3.0 Reasons for recommendation(s):

3.1 To ensure financial performance against the Council's Revenue and Capital Budget is kept under review by members.

3.2a Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.2b Is the recommendation in accordance with the Council's approved budget? Yes

3.3 Other alternative options to be considered:

None

**4.0 Council Priority:**

4.1 The relevant Council Priority is:

“The economy: Maximising growth and opportunity across Blackpool”

**5.0 Background Information**

5.1 See reports and appendices circulated to members under separate cover.

5.2 Does the information submitted include any exempt information?

No

**5.3 List of Appendices:**

Report

Appendix 1 - Revenue Summary

Appendix 2 - Schedule of Service forecast overspendings

Appendix 3a - Chief Executive

Appendix 3b - Governance and Partnership Services

Appendices 3b/c - Ward Budgets

Appendix 3d - Resources

Appendix 3e - Places

Appendix 3f - Strategic Leisure Assets

Appendix 3g - Community and Environmental Services

Appendix 3h - Adult Services

Appendix 3i - Children’s Services

Appendix 3j - Public Health

Appendix 3k - Budgets Outside the Cash Limit

Appendix 4 - Capital Monitoring

Appendix 5 - Cash Flow Summary

Appendix 6 - General Fund Balance Sheet Summary

All circulated to members under separate cover

**6.0 Legal considerations:**

6.1 None

**7.0 Human Resources considerations:**

7.1 See reports and appendices circulated to members under separate cover.



**8.0 Equalities considerations:**

8.1 An Equalities Impact Assessment was produced as a part of the budget setting process and remains relevant.

**9.0 Financial considerations:**

9.1 See reports and appendices circulated to members under separate cover.

**10.0 Risk management considerations:**

10.1 Impact of financial performance on Council balances. Financial performance against approved Revenue and Capital budgets.

**11.0 Ethical considerations:**

11.1 None

**12.0 Internal/ External Consultation undertaken:**

12.1 None

**13.0 Background papers:**

13.1 None

**14.0 Key decision information:**

14.1 Is this a key decision? No

14.2 If so, Forward Plan reference number:

14.3 If a key decision, is the decision required in less than five days? N/A

14.4 If **yes**, please describe the reason for urgency:

**15.0 Call-in information:**

15.1 Are there any grounds for urgency, which would cause this decision to be exempt from the call-in process? No

15.2 If **yes**, please give reason:

**TO BE COMPLETED BY THE HEAD OF DEMOCRATIC GOVERNANCE**

**16.0 Scrutiny Committee Chairman (where appropriate):**

Date informed: N/A Date approved: N/A

**17.0 Declarations of interest (if applicable):**

17.1

**18.0 Executive decision:**

18.1

**18.2 Date of Decision:**

**19.0 Reason(s) for decision:**

**19.1 Date Decision published:**

**20.0 Executive Members present:**

20.1

**21.0 Call-in:**

21.1

**22.0 Notes:**

22.1