

## **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-imbusement of Travelling, Subsistence and Related Expenses**

The Re-imbusement 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)